

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**CITY OF COLUMBIA, SOUTH CAROLINA**

**FISCAL YEAR ENDED JUNE 30, 2012**

**City Manager  
Teresa B. Wilson**

**Chief Financial Officer  
Jeffery M. Palen**

**Prepared by the  
Finance Department**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2012**

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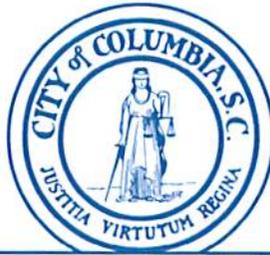
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## **INTRODUCTORY SECTION**



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We Are Columbia

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March 15, 2013

The Honorable Stephen K. Benjamin, Mayor  
The Honorable Members of the Columbia City Council  
The Citizens of the City of Columbia

Ladies and Gentlemen:

We are pleased to present the Comprehensive Annual Financial Report ("CAFR") of the City of Columbia, South Carolina (the "City") for the fiscal year ended June 30, 2012. South Carolina law requires that all local governments publish a complete set of audited financial statements, presented in conformity with generally accepted accounting principles in the United States of America ("GAAP"). The law further requires that these financial statements be audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The CAFR has been prepared by the City in accordance with these principles and standards. GAAP requires that management provide a narrative introduction, overview and analysis, to accompany the basic financial statements in the form of Management Discussion & Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. We believe that the data, as presented, is accurate in all material respects, presents fairly the City's financial position and results of operations, as measured by the financial activity of its various funds. To provide a reasonable basis for making these representations, the City has designed an internal control framework that is designed both to protect the City's assets from theft, loss, or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements that are in conformance with GAAP. The City's framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. As management, we assert, to the best of our knowledge and belief, that the CAFR is complete and reliable in all material respects.

The City's financial statements have been audited by WebsterRogers LLP. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2012, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors rendered an unqualified opinion that the City's financial statements for the year ended June 30, 2012, are presented fairly and in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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## We Are Columbia

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This report, other historical audited financial statements, other historical unaudited financial information, and operating budgets may also be accessed via the internet at [www.columbiasc.net](http://www.columbiasc.net).

### City of Columbia Overview

The City, incorporated in 1786, is located thirteen miles northwest of South Carolina's geographic center. The City currently occupies a land area of 132 square miles with a population estimated at 129,272 in the City and 794,491 within the metropolitan statistical area according to the 2010 United States Census.

Columbia is also combined with the Newberry micropolitan area to form the Columbia-Newberry Combined Statistical area which has 805,106 people according to the 2010 Census and is the second-largest and fastest-growing combined statistical area in South Carolina. Columbia is considered the primary city of the Midlands region of South Carolina.

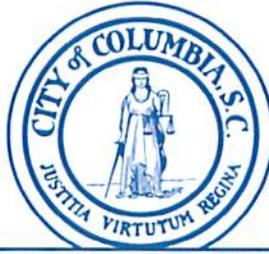
The City has a council-manager form of government. The mayor and city council are elected every four years with no term limits. Elections are held in November of odd numbered years. City council consists of six members. Four members are elected from council districts, and two members are elected at-large. City council is responsible for making policies and enacting laws, rules, and regulations in order to provide for future community and economic growth, in addition to providing the necessary support for the orderly and efficient operations of city services. The Council and Mayor are elected on a non-partisan basis. City Council oversees the city manager who is the chief executive officer of the City and oversees the day-to-day operations of the City.

### Primary City Functions

The City provides a full range of municipal services, including police and fire protection, the maintenance of streets and other infrastructure, recreational activities and cultural events, land use and building regulations, water and wastewater treatment, storm-water operations, parking operations and economic development. The City accounts for water and wastewater operations, parking operations and storm-water operations separately within the reporting entity and attempts to recover the costs of these functions through user charges. The City is self-insured for workers' compensation, parts of the medical and dental plan, and general claims liabilities. The City pays for such claims as they become due. The City engages an external party to provide an estimate of its liabilities related to these self-insured expenses.

### Community Development

To promote community development in underdeveloped areas and to aid its lower income citizens in obtaining safe and affordable housing, the City uses its Housing Loan Program. These funds provide financing for various home rehabilitations and mortgage lending programs from various sources. These programs play a vital role in ensuring continued building and investing in the City.



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We Are Columbia

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### Local Economy

The Columbia economy is the 69<sup>th</sup> largest metropolitan economy in the United States. Substantial concentrations of employers in government, manufacturing, education, finance, and health care provide high paying jobs and a relatively reliable tax revenue base. The vitality of these industries, combined with the increased interest in living in urban centers, will continue to support the City's revenue base.

Columbia is also home to the main campus of the University of South Carolina as well as ten other colleges and universities.

### Major Initiatives and Financial Planning

Over the past two years, the City has hired more than 190 new public safety employees. The fiscal 2013 police force is fully staffed and represents the largest police force in the City's history. In addition, during 2012, a five-year agreement to provide county-wide fire services was reached with Richland County.

During 2012, 66 police vehicles were purchased and 17 fire department vehicles were acquired. The Columbia-Richland Fire Department ("CRFD") graduated 44 members of the Columbia Fire Department's Firefighter Recruit Class. During 2012, the City's police department established and implemented a secure police intelligence site online to assist with centralizing information for special directives and classified police information. During 2012, the police department also established "COP LOGIC," an online reporting system that could be used by citizens for reporting non-violent crimes. In December 2011, CRFD was issued a license to be a non-transport First Responder agency by the South Carolina Department of Health and Environmental Control. When Ladder 7 was replaced, the department's ability to respond to fires involving tall buildings was significantly enhanced. Ladder 7, which is stationed at the North Columbia Fire Station, has a 360 degree, 100 foot aerial ladder.

The City's Municipal Court implemented a new method of scheduling and conducting jury trials during fiscal year 2012. This change resulted in the resolution of over 4,000 cases on the jury trial docket which reduced the backlog of cases. The implementation of this new program resulted in the court being able to resolve, on average, 48% of the weekly docket at a roster meeting. This resulted in eliminating or reducing the need to pay jurors and other expenses associated with a jury trial.

The City expended over 112 million dollars in capital improvements and major maintenance during the fiscal year 2012. The bulk of these expenditures occurred in water treatment (\$31,777,005) and wastewater treatment (\$59,442,385). These expenditures in wastewater treatment resulted in a 14% percent decrease in sanitary sewer overflows when compared to fiscal year 2011 and an almost 50% decrease when compared to fiscal year 2009.

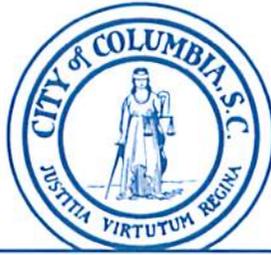
There were approximately 80 new residential units added in the downtown area, with an estimated investment of almost \$7,000,000, during the fiscal year. The City, in conjunction with Richland County, participated in the Greater Columbia Chamber of Commerce's Business Friendly Task Force to aid new and existing businesses. During the fiscal year, ten new companies joined USC's Columbia Technology Incubator.

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Teresa Wilson • City Manager

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We Are Columbia

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Although property values recorded little growth during fiscal year 2012, putting pressure on the largest revenue source for the General Fund, the City was able to improve its financial position at the end of the fiscal year. Strong cost control, along with conservative revenue projections, resulted in a General Fund operating surplus of approximately \$1,365,900.

There was a 16% increase in the number of building permits issued during the year ended June 30, 2012, when compared to the year ended June 30, 2011. This represented an increase of 38% in construction values indicated on the permits as well a 47% increase in fee revenue for the City.

#### Acknowledgements

The preparation of this CAFR represents the culmination of numerous efforts by many City employees. We would like to express our sincere appreciation to the City's finance staff and the City's other operating and supporting departments for making this report possible.

This CAFR reflects our ongoing commitment to the citizens of Columbia, the Columbia City Council, and all interested readers of this report to provide information in conformance with the highest standards of financial reporting.

Respectfully submitted,

Teresa B. Wilson  
City Manager

Jeffery M. Palen  
Chief Financial Officer

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

**As of June 2012**

**Mayor**

Stephen K. Benjamin

**Council Members**

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

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

**City Manager**

Steven A. Gantt

**Assistant City Managers**

Senior Assistant City Manager for Public Safety  
Assistant City Manager for Dev. & Gov't Affairs  
Assistant City Manager for Operating

S. Allison Baker  
Teresa Wilson  
Melissa Gentry-Smith, P.E.

**Department Directors**

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

Ken Gaines  
Deborah Livingston  
Judge Dana Turner  
Krista Hampton  
James B. Gambrell  
Kimberly Gathers  
William Ellis, CPA  
Aubrey Jenkins  
David Knoche  
Teresa Florence  
Pamela Benjamin  
Sylvia White (interim)  
Tina Herber  
Jeff Caton  
Randall Scott  
Leshia Utsey  
Robert Anders  
Joseph Jaco

**Development Corporation Directors**

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

Fred Delk  
Gloria Saeed  
Michael Strange

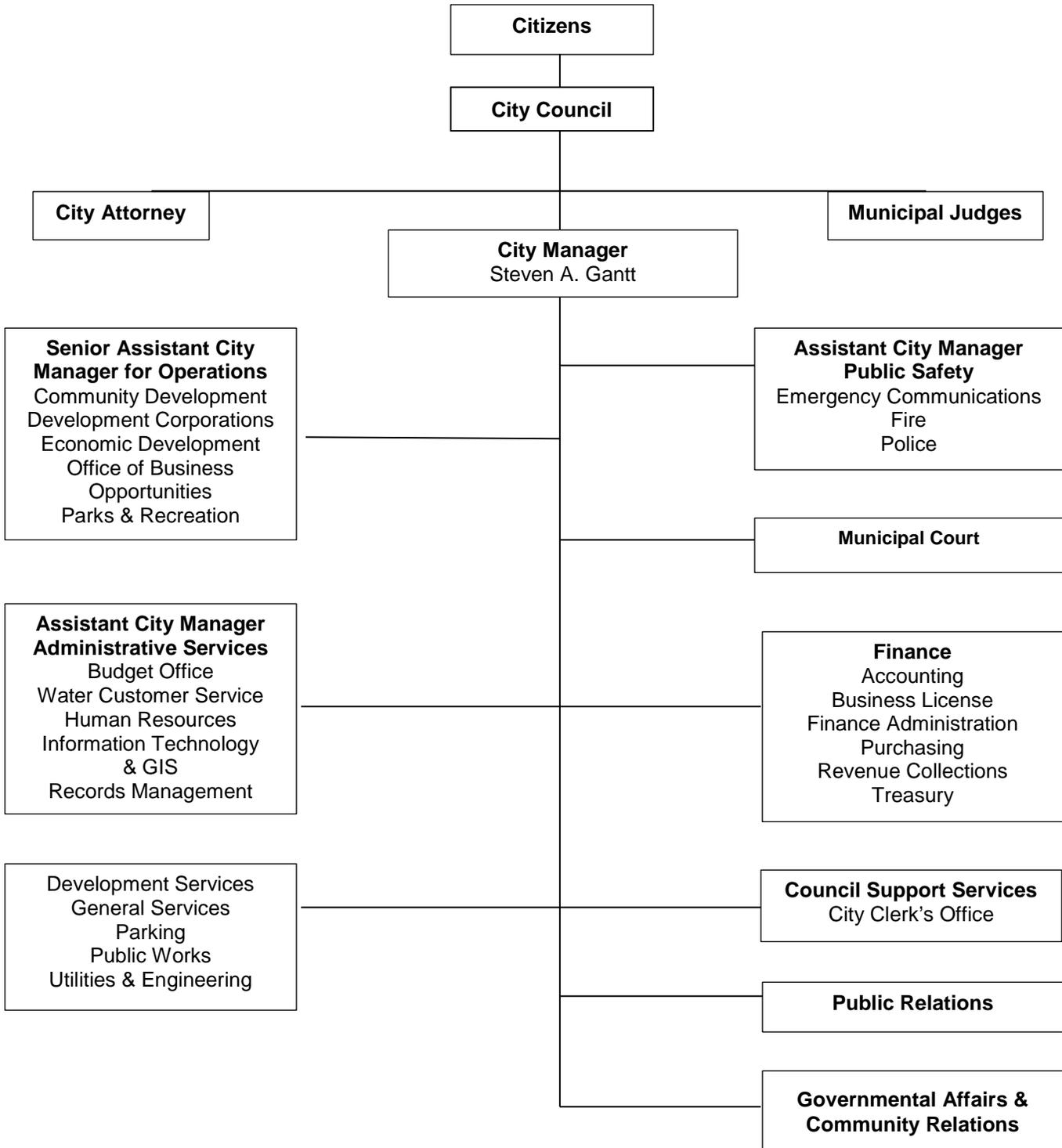
**Other Directors**

Columbia Empowerment Zone, Inc.  
Midlands Authority for Conventions, Sports, and Tourism

Tina Herbert  
Ric Luber

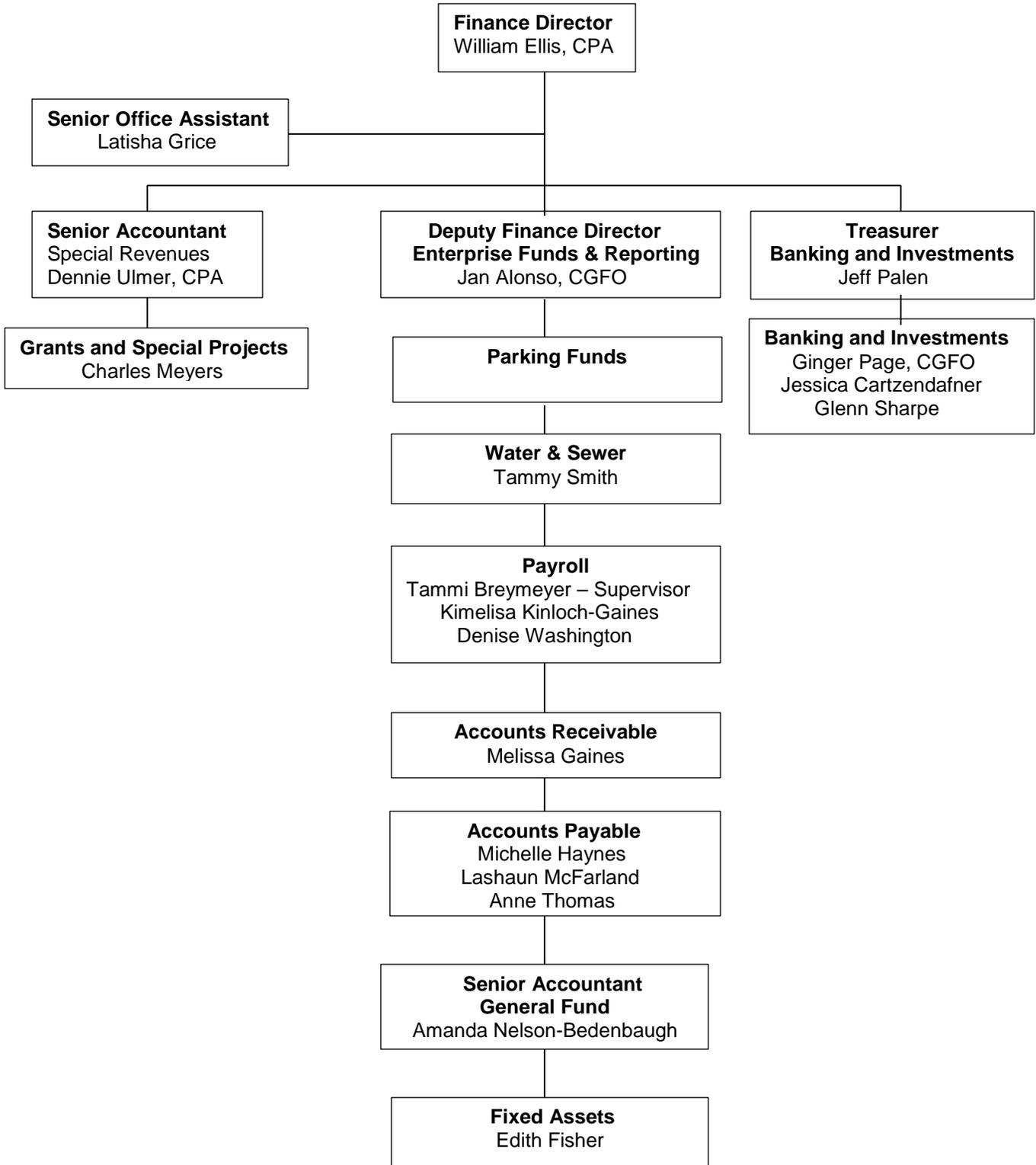
**CITY OF COLUMBIA, SOUTH CAROLINA  
Organizational Chart**

As of June 2012



**CITY OF COLUMBIA, SOUTH CAROLINA  
Finance Department (Accounting and Treasury)  
Organizational Chart**

**As of June 2012**



## **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, 2012, 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. The financial statements of The Columbia Empowerment Zone, Inc. (a discretely presented component unit) were not audited in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. 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, 2012, 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 March 15, 2013, 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.

### Members

SC Association of Certified Public Accountants  
NC Association of Certified Public Accountants

### Member

Division for CPA Firms, AICPA

An Independently Owned Member  
**MCGGLADREY ALLIANCE**



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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor 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 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 financial statements. The combining and individual nonmajor fund financial statements and schedules and supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing procedures generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 do not express an opinion or provide any assurance on them.



Columbia, South Carolina  
March 15, 2013

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2012**

As management of the City of Columbia (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended June 30, 2012, as part of the overall Comprehensive Annual Financial Report (CAFR). This overview compares the year ended June 30, 2012, with the year ended June 30, 2011. Readers are encouraged to consider the information presented here, in conjunction with the letter of transmittal, which can be found on pages 1 through 4 of this report.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### **Financial Highlights**

- The assets of the City exceeded its liabilities at the close of 2012 by \$803,052,804. This amount represents the City's net assets. Of this amount, \$221,591,075 in unrestricted net assets may be used to meet the City's ongoing obligations.
- The City's total net assets increased by \$12,173,746 or 1.54% compared to 2011.
- As of June 30, 2012, the City's governmental funds reported combined ending fund balances of \$60,478,456. The unassigned General Fund balance of \$14,972,196 is available for spending at the City's discretion and represents approximately 15% of the General Fund's budgeted expenditures for the year ending June 30, 2013.
- The City's long-term debt, including contracts payable and derivative instruments at June 30, 2012, totaled \$558,409,120, a net increase of \$105,939,625 or 23.41% from the balance at June 30, 2011, of \$452,469,495.

### **Using This Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 24 through 26) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 27. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the government.

**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.

The Statement of Net Assets presents information on all of the City's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City'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 related timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused annual leave). Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are designed to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, judicial, finance, community development and planning, public safety, parks and recreation, public services, general services and community promotions.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2012**

The business-type activities of the City include Water and Sewer, Parking, Stormwater, Hydro-Electric, Redevelopment Programs and Parks and Recreation Camps.

The government-wide statements include not only the City itself, (known as the primary government), but also the legally separate Columbia Development Corporation; Columbia Housing Development Corporation; Eau Claire Development Corporation; Midlands Authority for Conventions, Sports and Tourism; and TN Development Corporation, for which the City is financially accountable. The Columbia Empowerment Zone, Inc.'s financial statements are included in the CAFR, but are not reported on the government-wide statements as it is not a governmental entity and as such uses a different reporting model. Financial information for these component units is reported separately from the financial information presented for the primary government itself, except for Public Facilities Corporation and Columbia Parking Facilities Corporation, whose statements are blended with the primary government.

The government-wide financial statements can be found following this section of the report.

**Fund financial statements** – Our analysis of the City's major funds begins on page 20. The fund financial statements beginning on page 27 provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council established many other funds to help it control and manage for particular purposes or to show it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's three kinds of funds – governmental, proprietary, and fiduciary – use different accounting approaches. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Most of the City's basic services are reported in governmental funds which focus on how money flows into and out of these funds and the balances that are left at year-end that are non-spendable, restricted, committed, assigned, or unassigned. These classifications of fund balance show the nature and extent of constraints placed on the City's fund balances by law, creditors, and City Council. Unassigned fund balance is available for spending for any purpose. These funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can be readily converted to cash. The governmental funds present a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. We describe the relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds in reconciliations following the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances.

The City utilizes five generic fund types (see Section I Note B in the notes to the financial statements). The City maintains 18 individual funds within these generic fund types. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund and county services fund which are considered to be major funds. Data from the 16 other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these 16 nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2012**

The City adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. The governmental funds financial statements immediately follow the government-wide financial statements.

The City has a formal fund balance policy applicable to governmental funds. The policy defines fund balance categories consistent with Governmental Accounting Standards Board Statement 54, sets spending priority within the categories, and established the authority to commit or assign balances. For a full discussion of the City's fund balance policy, please refer to the Notes to the Financial Statements, Section I. F. Fund Balances.

**Proprietary Funds** – The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the business-type activities of the Water and Sewer system, Parking, Stormwater system, Hydro-electric plant, Redevelopment Programs, and Parks and Recreation camps.

An internal service fund is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the maintenance and operation of its fleet of vehicles, its risk management function, and its support services. Because these services benefit both governmental activities and business-type functions, the net assets and change in net assets have been allocated between governmental activities and business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the business type activities in the government-wide financial statements. The City maintains six enterprise type funds. The proprietary fund financial statements provide separate information for the water and sewer system and the parking system which are considered to be major funds of the City. Data from the other four funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor business-type funds is provided in the form of combining statements elsewhere in this report. Conversely, all three internal service funds are combined into a single aggregated position in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The proprietary fund financial statements follow the governmental fund financial statements.

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting for fiduciary fund is much like that used for proprietary funds. The fiduciary fund financial statements follow the proprietary funds statements.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found following the basic financial statements.

**Other Information** - In addition to the basic financial statements, this report also contains certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees and a general fund budgetary comparison schedule to demonstrate compliance with the budget. Required supplementary information can be found following the notes in this report. The combining and individual fund statements, referred to earlier in connection with the nonmajor governmental and proprietary funds, are presented immediately following the required supplementary information.

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**Financial Analysis – Government-wide Statements**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceed liabilities by \$803,052,804 as of June 30, 2012. Table 1 summarizes the major categories of assets, liabilities, and net assets for governmental activities, business type activities, and the City as a whole.

**Table 1**  
**City of Columbia**  
**Statement of Net Assets**  
**June 30, 2012 and June 30, 2011**

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2012	As of June 30, 2011	As of June 30, 2012	As of June 30, 2011	As of June 30, 2012	As of June 30, 2011
Current and other assets and deferred outflows	\$ 155,871,809	\$ 151,574,704	\$ 404,576,324	\$ 342,794,613	\$ 560,448,133	\$ 494,369,317
Capital assets, net of depreciation	<u>214,633,356</u>	<u>209,887,249</u>	<u>698,905,597</u>	<u>647,707,620</u>	<u>913,538,953</u>	<u>857,594,869</u>
<b>Total assets</b>	<u><b>370,505,165</b></u>	<u><b>361,461,953</b></u>	<u><b>1,103,481,921</b></u>	<u><b>990,502,233</b></u>	<u><b>1,473,987,086</b></u>	<u><b>1,351,964,186</b></u>
Long-term liabilities outstanding	138,640,811	139,767,253	474,067,021	366,623,037	612,707,832	506,390,290
Other liabilities	<u>28,371,478</u>	<u>27,574,866</u>	<u>29,854,972</u>	<u>27,119,972</u>	<u>58,226,450</u>	<u>54,694,838</u>
<b>Total liabilities</b>	<u><b>167,012,289</b></u>	<u><b>167,342,119</b></u>	<u><b>503,921,993</b></u>	<u><b>393,743,009</b></u>	<u><b>670,934,282</b></u>	<u><b>561,085,128</b></u>
Net assets: restated						
Net investment in capital assets	155,989,971	142,946,113	389,423,595	414,942,578	545,413,566	557,888,691
Restricted	26,755,353	27,905,320	9,292,810	9,231,571	36,048,163	37,136,891
Unrestricted	<u>20,747,552</u>	<u>23,268,401</u>	<u>200,843,523</u>	<u>172,585,075</u>	<u>221,591,075</u>	<u>195,853,476</u>
<b>Total net assets restated</b>	<u><b>\$ 203,492,876</b></u>	<u><b>\$ 194,119,834</b></u>	<u><b>\$ 599,559,928</b></u>	<u><b>\$ 596,759,224</b></u>	<u><b>\$ 803,052,804</b></u>	<u><b>\$ 790,879,058</b></u>

As of June 30, 2012, the City is able to report positive balances for the government as a whole as well as for its governmental activities and business-type activities, respectively.

The largest portion of the City's net assets, \$545,413,566 (67.92%), reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment), less any related debts used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets, \$36,048,163 (4.49%), represents resources that subject to external restrictions on how they may be used. The remaining balance of \$221,591,075 (27.59%) in unrestricted net assets may be used to meet the ongoing obligations of the City.

For governmental activities, the City reported a positive balance in unrestricted net assets of \$20,747,552. For business-type activities, the City reported a positive balance in unrestricted net assets of \$200,843,523. The City reported a positive balance of \$15,162,795 in unrestricted fund balance (committed plus assigned plus unassigned fund balance) for the general fund as of June 30, 2012.

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Unrestricted fund balance represents the spendable resources available for governmental activities without externally enforceable limitation. The major contributing factors to the difference between unrestricted fund balance and unrestricted net assets are changes in accrued receivables or payables, operating losses in the internal service fund operations, charges related to post-employment benefits, capital assets, debt and expenses related to compensated absences.

**Table 2**  
**City of Columbia's**  
**Changes in Net Assets**  
**Years Ended June 30, 2012 and 2011**

	Governmental Activities		Business-type Activities		Total Primary Government	
	Year Ended June 30, 2012	Year Ended June 30, 2011	Year Ended June 30, 2012	Year Ended June 30, 2011	Year Ended June 30, 2012	Year Ended June 30, 2011
Revenues:						
Program revenues						
Charges for services						
General government	\$ 771,459	\$ 5,177,624	\$ -	\$ -	\$ 771,459	\$ 5,177,624
Finance	28,328,937	27,706,315	-	-	28,328,937	27,706,315
Community development	721,425	1,052,569	-	-	721,425	1,052,569
Public safety	16,154,103	14,123,994	-	-	16,154,103	14,123,994
Parks and recreation	583,471	644,895	-	-	583,471	644,895
Public services	350,100	762,632	-	-	350,100	762,632
Non-departmental	-	170,256	-	-	-	170,256
Water/sewer facilities	-	-	112,750,717	107,976,683	112,750,717	107,976,683
Hydro-electric plant	-	-	2,622,234	851,431	2,622,234	851,431
Stormwater facilities	-	-	4,861,153	4,778,442	4,861,153	4,778,442
Parking facilities	-	-	6,520,866	6,441,140	6,520,866	6,441,140
Redevelopment programs	-	-	599,950	646,954	599,950	646,954
Parks and recreation camps	-	-	262,582	226,238	262,582	226,238
Operating grants and contributions						
General government	1,827,004	939,681	-	-	1,827,004	939,681
Community development	4,358,893	5,839,111	-	-	4,358,893	5,839,111
Public safety	22,041,771	23,207,142	-	-	22,041,771	23,207,142
Parks and recreation	234,094	-	-	-	234,094	-
Public services	288,908	2,422,072	-	-	288,908	2,422,072
Community promotion	4,951,398	-	-	-	4,951,398	-
Capital grants and contributions						
General government	1,980,591	1,580,051	-	-	1,980,591	1,580,051
Public services	2,131,859	2,038,147	-	-	2,131,859	2,038,147
Water/sewer facilities	-	-	4,066,060	4,038,585	4,066,060	4,038,585
General revenues						
General property taxes	35,831,679	35,775,181	-	-	35,831,679	35,775,181
Local Option Sales Tax	14,874,049	13,947,099	-	-	14,874,049	13,947,099
Sales taxes	14,216,318	14,815,487	-	-	14,216,318	14,815,487
Motor fuel taxes	3,436	4,976	-	-	3,436	4,976
State shared revenue	2,363,791	2,604,423	-	-	2,363,791	2,604,423
Unrestricted investment earnings	537,702	1,068,106	2,899,062	3,389,883	3,436,764	4,457,989
Gain (loss) on disposal of capital assets	156,323	-	(2,609,759)	143,088	(2,453,436)	143,088
<b>Total revenues</b>	<b>152,707,311</b>	<b>153,879,761</b>	<b>131,972,865</b>	<b>128,492,444</b>	<b>284,680,176</b>	<b>282,372,205</b>

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**Table 2**  
**City of Columbia's**  
**Changes in Net Assets (Continued)**  
**Years Ended June 30, 2012 and 2011**

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	Year Ended June 30, 2012	Year Ended June 30, 2011	Year Ended June 30, 2012	Year Ended June 30, 2011	Year Ended June 30, 2012	Year Ended June 30, 2011
<b>Expenses:</b>						
General government	\$ 10,877,738	\$ 17,896,444	\$ -	\$ -	\$ 10,877,738	\$ 17,896,444
Judicial	2,447,105	2,697,932	-	-	2,447,105	2,697,932
Finance	2,348,922	2,235,981	-	-	2,348,922	2,235,981
Community development	4,760,642	4,365,542	-	-	4,760,642	4,365,542
Public safety	75,783,788	75,997,869	-	-	75,783,788	75,997,869
Parks and recreation	9,912,910	11,445,882	-	-	9,912,910	11,445,882
Public services	24,168,009	21,229,705	-	-	24,168,009	21,229,705
General services	4,193,394	3,924,144	-	-	4,193,394	3,924,144
Community promotion	11,899,487	7,843,093	-	-	11,899,487	7,843,093
Interest on long-term debt	2,366,916	3,763,963	-	-	2,366,916	3,763,963
Non-departmental	2,401,408	2,644,113	-	-	2,401,408	2,644,113
Water/sewer facilities	-	-	106,594,059	107,934,251	106,594,059	107,934,251
Hydro-electric plant	-	-	1,547,093	1,615,222	1,547,093	1,615,222
Stormwater facilities	-	-	4,595,847	5,169,916	4,595,847	5,169,916
Parking facilities	-	-	6,336,721	7,234,418	6,336,721	7,234,418
Redevelopment programs	-	-	1,966,452	606,265	1,966,452	606,265
Parks and recreation camps	-	-	305,939	268,639	305,939	268,639
<b>Total expenses</b>	<b>151,160,319</b>	<b>154,044,668</b>	<b>121,346,111</b>	<b>122,828,711</b>	<b>272,506,430</b>	<b>276,873,379</b>
Increase (decrease) in net assets before transfers	1,546,992	(164,907)	10,626,754	5,663,733	12,173,746	5,498,826
Transfers	7,826,063	6,126,263	(7,826,063)	(6,126,263)	-	-
Increase (decrease) in net assets	9,373,055	5,961,356	2,800,691	(462,530)	12,173,746	5,498,826
Net assets, beginning of period (as restated)	194,119,821	188,156,625	596,759,237	597,221,754	790,879,058	785,378,379
Net assets, end of period	<u>\$203,492,876</u>	<u>\$194,117,981</u>	<u>\$599,559,928</u>	<u>\$596,759,224</u>	<u>\$803,052,804</u>	<u>\$790,877,205</u>

Revenue for the City for the year ended June 30, 2012, which totaled approximately \$284,680,000, was virtually unchanged from the year ended June 30, 2011, as the economic struggles continued. The increase for the City as a whole was approximately \$2,308,000, which was an increase of less than 1%. Revenues for the business-type activities increased approximately \$3,480,400 (2.64%). Water and sewer revenues increased approximately \$4,774,000 (4.23%). This was primarily the result of a rate increase of approximately 5% that went into effect on July 1, 2011. Revenues in the Hydro-electric fund increased approximately \$1,770,800 (67.5%) as the City changed operators during the summer of 2011. Other business type revenues were virtually unchanged when compared to the year ended June 30, 2011. These revenues were offset by a loss of approximately \$1,300,000 incurred by the parking fund on the sale of land and the water and sewer fund of a similar amount resulting from the sale of several capital assets. Revenue from governmental activities for the year ended June 30, 2012, which totaled approximately \$152,707,300, was virtually unchanged from the year ended June 30, 2011. The overall decrease of approximately \$1,172,400 represented a decrease of less than 1%. While general property taxes remained virtually unchanged when compared to the year ended June 30, 2011, Local Option Sales Tax revenue increased approximately \$927,000 (6.65%) as the City increased the amount of credit given to the local property owner on their property tax bill. There was an increase of approximately \$919,200 (6.20%) in sales tax collected as the economy improved slightly. These increases were more than offset by the loss of approximately \$5,738,700 in grant revenue as several ARRA funded grants and a streetscaping grant expired as of June 30, 2011. Interest income continued to decline due to low interest rates.

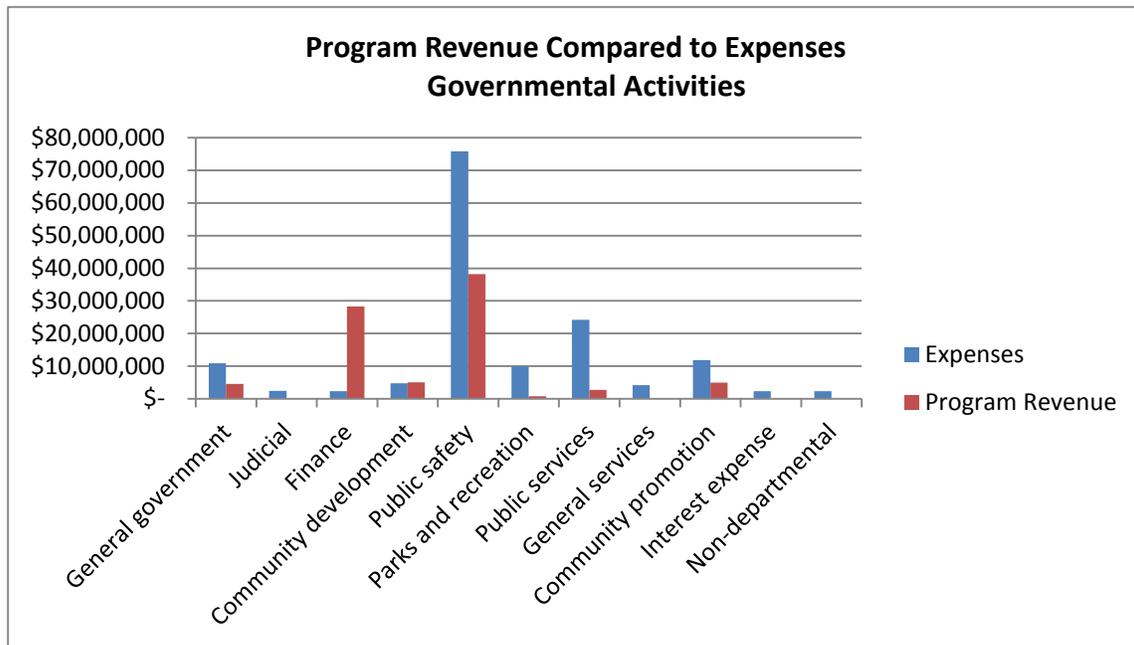
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Total expenses for the City were approximately \$272,506,400 for the year ended June 30, 2012, down approximately \$4,366,900 (1.58%) when compared to the year ended June 30, 2011. Continued monitoring of costs by management during the year ended June 30, 2012, enabled the City to manage overall costs for all departments. Expenses for business-type activities decreased by approximately \$1,482,600 or 1.22% compared to the year ended June 30, 2011. The decrease in expenses was primarily due to lower interest rates on new and refunded debt as well as higher capitalized interest costs due to increased construction projects financed by revenue bonds. The expenses for the redevelopment programs increased by approximately \$1,360,200 or 224.36% compared to the year ended June 30, 2011, due to increased loan write-offs. The expenses for the remaining programs remained virtually unchanged compared to the year ended June 30, 2012.

The City's net assets increased by \$12,173,746 during the year ended June 30, 2012. The net assets for governmental funds decreased by \$2,240,478, while the change in net assets of business-type funds increased by \$2,962,989. This overall increase is almost entirely due to the water and sewer rate increase, and increased generational credits resulting from the sale of electricity and other revenues from the Hydro-Electric Facilities fund. The increase was offset by decreases in net assets in the Parking, Redevelopment Programs and Parks and Recreation Camp funds.

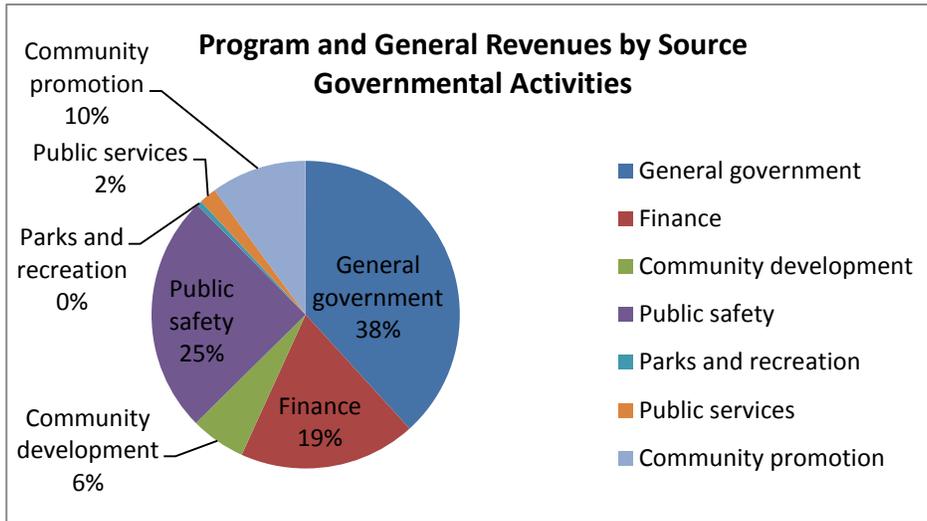
**Governmental Activities** – A comparative analysis of the governmental activities expenses and program revenues is presented below.

**Figure 1**  
**Program Revenues Compared to Expenses**  
**Year Ended June 30, 2012**



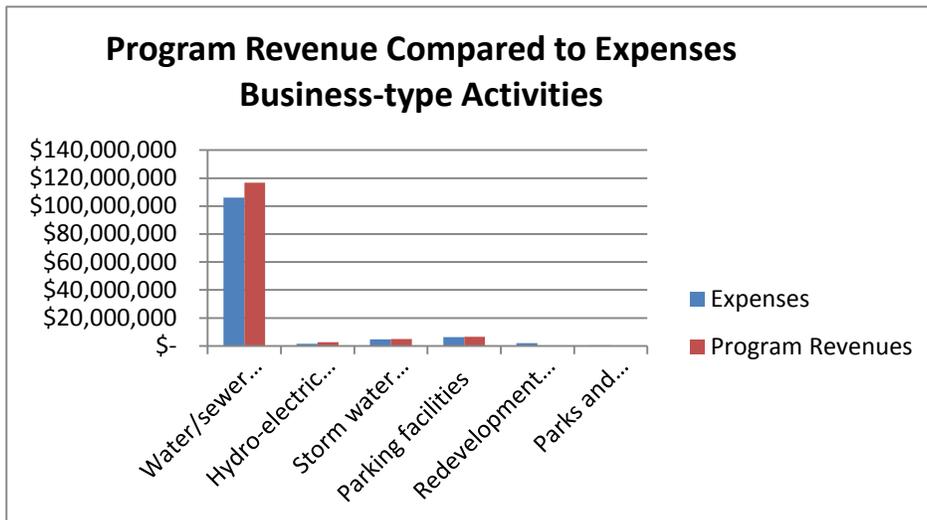
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**Figure 2**  
**Program Revenues for Governmental Activities**  
**Year Ended June 30, 2012**



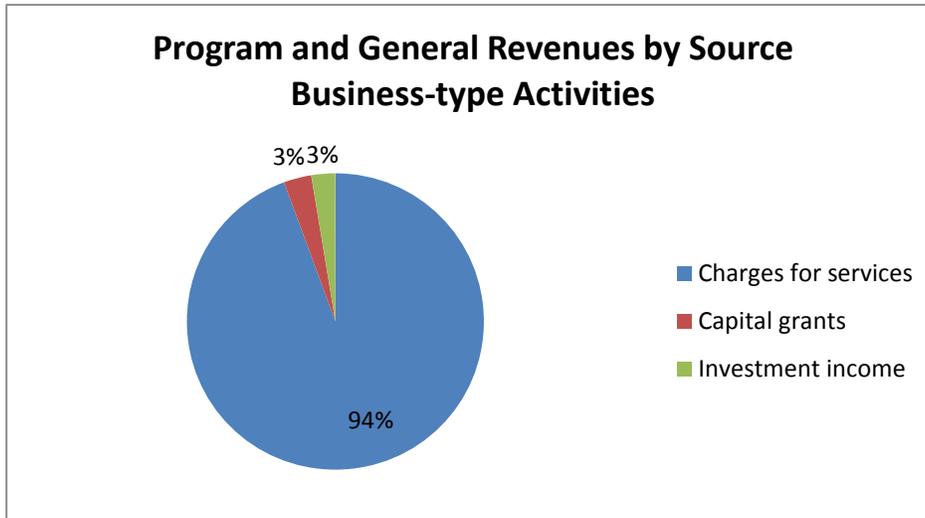
**Business-type Activities** – The net assets of the City's business-type activities increased by approximately \$2,963,000 for the year ended June 30, 2012. This growth is attributable to the operations of the water and sewer department. A comparative analysis and discussion of expenses and program revenues for these enterprise operations is presented below.

**Figure 3**  
**Expenses for Business-type Activities**  
**Year Ended June 30, 2012**



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**Figure 4**  
**Program Revenues for Business-type Activities**  
**Year Ended June 30, 2012**



**Water and Sewer Facilities Fund** – The net assets for the water and sewer facilities fund for the year ended June 30, 2012, increased by approximately \$4,064,000.

**Table 3**  
**Water and Sewer Facilities Fund Revenues and Expenses**  
**Years Ended June 30, 2012 and June 30, 2011**

	Year Ended June 30,	
	2012	2011
<b>Revenues</b>		
Total operating revenues	\$ 112,627,616	\$ 107,877,624
Non-operating revenues	1,259,491	2,871,753
Development contributions	4,066,060	4,038,585
Total revenues	<u>117,953,167</u>	<u>114,787,962</u>
<b>Expenses</b>		
Total operating expenses	102,436,802	100,630,022
Interest and amortization expense	4,020,683	7,849,078
Transfers, net	7,431,664	6,308,862
Total expenses	<u>113,889,149</u>	<u>114,787,962</u>
Change in net assets	<u>\$ 4,064,018</u>	<u>\$ -</u>

Total operating revenues, which primarily consist of water and sewer fees, increased by approximately \$4,750,000 or 4.4% to \$112,627,616. The increase in operating revenues was due primarily to a 5% water and sewer rate increase that became effective July 1, 2011. Non-operating revenue decreased by approximately \$1,612,200 due primarily to the disposal of various capital assets. Contributed infrastructure revenue remained virtually unchanged from the year ended June 30, 2011, as the construction industry was still feeling the effects of the continued sluggish economy. Total revenues for the year ended June 30, 2012, increased approximately \$3,165,200 or 2.76% to \$117,953,167.

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Total operating expenses increased by approximately \$1,806,700 or 1.8% to \$102,436,800 when compared to the year ended June 30, 2011. This increase was primarily the result of increase in repair expenses to the system in fiscal 2012. The increase in operating revenues exceeded the increase in operating expenses resulting in an operating margin increase of approximately \$2,943,200 compared to the year ended June 30, 2011.

While gross interest expense increased due to issuing additional debt in fiscal year 2012, net interest expense decreased by approximately \$3,828,400 due to increased capitalized interest on increased construction in progress balances. Net transfers increased in fiscal year 2012 as transfers, by state law, cannot create a deficit position in change in net assets. As a result, the City was limited in the amount they could transfer to other funds in fiscal year 2011. Total expenses decreased by approximately \$898,800 or 0.78% to \$113,889,100. The increase in water and sewer fee revenues, along with the decrease in net interest expense, were the primary reason change in net assets increased by \$4,064,018 for the year ended June 30, 2012.

The restricted portion of the water and sewer facilities fund's net assets represents debt service reserve funds that are restricted under various bond ordinances.

**Table 4**  
**Parking Facilities Fund Revenue and Expenses**  
**Years Ended June 30, 2012 and June 30, 2011**

	Year Ended June 30,	
	2012	2011
<b>Revenues</b>		
Total operating revenues	\$ 6,416,016	\$ 6,350,759
Non-operating revenues	254,899	269,460
Gain (loss) on sale of assets	(1,356,277)	31,615
Total revenues	5,314,638	6,651,834
<b>Expenses</b>		
Total operating expenses	4,286,869	4,928,999
Interest and amortization expense	2,037,107	2,356,323
Transfers, net	164,361	180,489
Total expenses	6,488,337	7,465,811
Change in net assets	\$ (1,173,699)	\$ (813,977)

**Parking Facilities Fund** - Total operating revenues, which primarily consist of parking fees and fines, increased by approximately \$65,200 or 1.03% to \$6,416,000. The increase in operating revenues was due primarily to a slight increase in customer volume. Non-operating revenue decreased by approximately \$14,500 due primarily to continued decline in interest rates. The increase in the loss on disposal of capital assets was due to the sale of a significant piece of property to another governmental entity to help increase public safety. Total revenues for the year ended June 30, 2012, decreased approximately \$1,337,200 or 20.10% to \$5,314,638 primarily as a result of loss on the aforementioned property sale.

Total operating expenses decreased by approximately \$642,100 or 13.03% to \$4,286,869 when compared to the year ended June 30, 2011. This decrease was primarily the result of a decrease in repair expenses to the system in fiscal 2012. The increase in operating revenues along with the decrease in operating expenses resulting in an operating margin increase of approximately \$707,400 compared to the year ended June 30, 2011

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Gross interest and amortization expense remained virtually flat in fiscal year 2012, while net interest and amortization expense decreased by approximately \$319,200 due to increased capitalized interest on increased construction in progress balances. Net transfers were virtually unchanged in fiscal year 2012 when compared to fiscal year 2011. Total expenses decreased by approximately \$1,067,500 or 14.3% to \$6,398,300. The loss on sale of capital assets was the main reason the change in net assets decreased by \$977,474 for the year ended June 30, 2012.

**Financial Analysis of the City's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**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 for spending at the end of the fiscal year.

As of June 30, 2012, the City's governmental funds reported combined ending fund balances of approximately \$60,478,400, a decrease of approximately \$2,240,500. Unassigned fund balance is available for spending at the City's discretion. As of June 30, 2012, the City has an unassigned fund balance of approximately \$14,746,400, an increase of approximately \$3,336,400 compared to the year ended June 30, 2011.

The general fund is the chief operating fund of the City. During the year ended June 30, 2012, the fund balance of the general fund increased by approximately \$1,365,900 to approximately \$15,443,000. The increase in fund balance was made possible by revenue collections that were consistent with the adopted budget along with closely monitored spending. The major portion of the 2012 surplus was due to increased transfers from the water and sewer fund and the hydro-electric fund. There was approximately a \$2,000,000 increase in transfers from water and sewer and approximately \$1,500,000 from hydro-electric. The unassigned fund balance, which is available for use without restriction, increased by approximately \$3,548,100 to approximately \$14,972,200. Unrestricted fund balance is the combination of unassigned fund balance (\$14,972,200) and assigned fund balance (\$190,600) and totals \$15,162,800. The remainder of the fund balance in the general fund is comprised of approximately \$280,200 in nonspendable fund balance. As a measure of liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

The County Services fund is used to report funds received from Richland County, South Carolina to offset costs incurred by the City of Columbia in providing fire services and 911 emergency communications services to Richland County citizens living outside the incorporated area of the City of Columbia. Collections for the year ended June 30, 2012, increased by approximately \$420,100 or 2.21%.

**Proprietary funds** – The statements of the City's proprietary funds provide the same type of information as the business-type activities in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds were previously addressed in the discussion of the City's business-type activities.

**General Fund Budgetary Highlights**

The general fund is the principal operating fund of the City and is used to account for all activities of the City not otherwise accounted for by a specified fund. It is also the largest of the City's funds and is mostly comprised of general tax revenues and license and permit fees. The City provides basic city services such as police, fire, parks and recreation, and other public services. Each department budget must be developed and justified annually during the legally required budget adoption process. Total general fund revenues for the year ended June 30, 2012, were approximately \$100,706,700, approximately \$2,357,100 or 2.40% more than the final budget of approximately \$98,349,600. This overall revenue increase was the result of modest increases in property tax revenues, license and permit fees offset by a decrease in charges for services.

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Total general fund expenditures were approximately \$106,605,000 for the year ended June 30, 2012, approximately \$640,000 or less than 1% more than the final budgeted expenditures of \$105,965,000. Closely monitoring of expenditures resulted in most city departments being under budget. The most significant exception was incurring approximately \$1,540,000 in expenditures paid to refund previously issued hospitality bonds. These expenditures were not budgeted.

**Capital Assets and Debt Administration**

**Capital assets** – The City's investment in capital assets (before reductions for debt service) for its governmental and business-type activities as of June 30, 2012, totaled approximately \$913,538,900, net of accumulated depreciation. This investment in capital assets includes land, buildings, infrastructure, construction in progress, machinery, and equipment. The net increase in the City's investment in capital assets for the year ended June 30, 2012, was approximately \$55,944,000 or 6.52%.

Major capital asset events during the year ended June 30, 2012, included the following:

- Construction in progress (CIP) increased by a net \$60,048,486 due mostly to a \$44 million dollar project to upgrade the main wastewater treatment plant, a \$32 million dollar project to upgrade the Columbia Canal water treatment plant, a \$12 million dollar project on the Columbia Canal front, a \$6 million dollar parks and recreation administration building, and a \$4 million dollar project to improve a section of North Main street. There was approximately \$8,804,800 added to the governmental CIP balance related to various governmental projects. There was approximately \$71,741,400 added to the business-type activities CIP balance.
- Buildings and improvements additions totaled approximately \$24,500,000 during the year ended June 30, 2012. Significant additions included the Rimer Pond Road water storage tank, improvements to the main wastewater treatment plant, improvements at Maxcy Gregg Park, contributed water and sewer lines, as well as installed water and sewer lines. The main decrease resulted from the sale of land used in the parking fund.
- Machinery and equipment additions totaled approximately \$8,510,200 during the year ended June 30, 2012. These additions consisted mainly of vehicles and other items of rolling stock. Disposals consisted mainly of fully depreciated items.
- Depreciation expense totaled \$34,497,408 for the City as a whole.

Capital assets, net of depreciation, for the governmental and business-type activities are as follows:

**Table 5**

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2012	As of June 30, 2011	As of June 30, 2012	As of June 30, 2011	As of June 30, 2012	As of June 30, 2011
Land	\$ 32,679,661	\$ 32,675,760	\$ 30,709,731	\$ 32,982,679	\$ 63,389,392	\$ 65,658,439
Construction in progress	14,902,842	7,280,794	134,177,633	81,751,195	149,080,475	89,031,989
Buildings and improvements	139,804,467	144,765,005	521,178,304	520,537,322	660,982,771	665,302,327
Infrastructure	12,894,208	12,739,903	-	-	12,894,208	12,739,903
Machinery and equipment	14,352,178	12,423,934	12,839,929	12,436,424	27,192,107	24,860,358
<b>Total</b>	<b>\$214,633,356</b>	<b>\$209,885,396</b>	<b>\$698,905,597</b>	<b>\$647,707,620</b>	<b>\$913,538,953</b>	<b>\$857,593,016</b>

Additional information on the City's capital assets can be found in Note III. F. in the Notes to the Financial Statements.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2012**

**Long-term debt** – The City's long-term debt, including contracts payable, reflected a net increase of approximately \$78,339,800 or 17.59%. The increase is primarily the result of issuing Waterworks and Sewer System Revenue Bonds, Series 2011A, in the amount of \$100,000,000 and General Obligation Bonds, Series 2011C, in the amount of \$4,935,000. Total governmental activities had a net decrease of approximately \$3,364,800 or 3.74% while business-type activities debt had a net increase of approximately \$81,704,700 or 18.69%. The water and sewer debt was issued to fund improvements to the system, and the general obligation debt was issued to fund the purchase of capital assets. During fiscal year 2012, the City defeased a portion of the 2004 Hospitality Fee COPS and the 2005 Waterworks and Sewer System Revenue Bonds and other bonds by placing the proceeds of new refunding bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds.

**Table 6**

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	As of June 30, 2012	As of June 30, 2011	As of June 30, 2012	As of June 30, 2011	As of June 30, 2012	As of June 30, 2011
Notes payable	\$ 5,619,142	\$ 5,814,142	\$ -	\$ -	\$ 5,619,142	\$ 5,814,142
General obligation bonds	31,505,000	30,055,000	-	-	31,505,000	30,055,000
Bond premiums	929,426	680,929	-	-	929,426	680,929
Revenue bonds	49,485,000	52,145,000	-	-	49,485,000	52,145,000
Bond premiums	912,635	1,824,814	-	-	912,635	1,824,814
Deferred loss on refunding	(1,885,364)	(589,196)	-	-	(1,885,364)	(589,196)
Parking Facilities revenue bonds	-	-	45,190,000	46,110,000	45,190,000	46,110,000
Bond premiums	-	-	47,933	49,876	47,933	49,876
Deferred loss on refunding	-	-	(97,742)	(58,646)	(97,742)	(58,646)
Waterworks and Sewer System revenue bonds	-	-	372,180,000	298,368,752	372,180,000	298,368,752
Bond premiums	-	-	27,225,391	10,413,897	27,225,391	10,413,897
Deferred loss on refunding	-	-	(8,720,301)	(1,408,917)	(8,720,301)	(1,408,917)
Contracts payable	-	-	1,291,201	1,936,803	1,291,201	1,936,803
<b>Total</b>	<b>\$ 86,565,839</b>	<b>\$ 89,930,689</b>	<b>\$ 437,116,482</b>	<b>\$ 355,411,765</b>	<b>\$ 523,682,321</b>	<b>\$ 445,342,454</b>

The City's underlying bond rating for its general obligation debt issues and water and sewer revenue bonds as of June 30, 2012, was a "Aa1" by Moody's Investors Service, Inc. and "AA" by Standard and Poor's Rating Services. The parking system revenue bonds as of June 30, 2012, were rated "BBB+" by Standard and Poor's Rating Service and "A3" by Moody's Investor Service, Inc.

Article X, Section 14 of the State Constitution limits the amount of general obligation debt a governmental entity may issue to 8% of its assessed property value. The City as of June 30, 2012, had \$31,505,000 in debt subject to this limitation which is less than the \$40,899,152 allowed without approval by the voters in the City.

Additional information regarding the City's long-term obligations can be found in Note III. I. in the Notes to the Financial Statements.

**Economic Factors and Next Year's Budget**

Based on overall economic forecasts for South Carolina, the City expects to see a slow but steady recovery in fiscal year 2013. Economic forecasts project the Columbia metropolitan area will add more jobs than the national average. The unemployment rate for metro Columbia decreased from 9.5% in July 2012 to 7.6% in December 2012.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2012**

Key items that factored into the preparation of the budget for the year ending June 30, 2013, are listed below:

- The budget provides for a 2% cost of living adjustment for employees.
- There will be no property tax increase for fiscal year 2013, and property tax revenues are expected to be flat.
- An increase in health insurance premiums is budgeted at 5%, along with a budgeted 10% increase in dental premiums.
- An increase of 13% is budgeted for contributions to the SC State Retirement system for city employees. An increase of 6.5% is budgeted for police and fire retirement.
- License and permit fees are expected to increase approximately \$1,573,000 or 5.8%.
- Total general fund expenditures are expected to increase approximately \$3,426,300 or 2.04%.

**Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City's Chief Financial Officer, Post Office Box 147, 1136 Washington Street, Columbia, South Carolina 29217.

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

## **BASIC FINANCIAL STATEMENTS**

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

June 30, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and equivalents	\$ 99,439,418	\$ 112,496,302	\$ 211,935,720	\$ 4,386,412
Certificates of deposit	-	-	-	500,000
Investments	8,331,006	91,906,491	100,237,497	7,069,538
Receivables				
Property taxes, net of allowance	2,149,310	-	2,149,310	-
Federal government	1,988,710	-	1,988,710	-
State government	4,044,067	-	4,044,067	-
County government	1,073,424	-	1,073,424	-
Accounts, net of allowance	1,302,704	7,183,654	8,486,358	1,029,317
Accrued interest	40,811	402,222	443,033	1,091
Notes, net of allowance	-	529,150	529,150	114,539
Due from component units	-	1,082,365	1,082,365	-
Internal balances	2,379,168	(2,379,168)	-	-
Security deposits	-	-	-	2,500
Prepaid expenses	369,015	154,323	523,338	159,440
Inventory	574,887	2,616,172	3,191,059	-
Capital lease receivable	500,000	-	500,000	-
Real estate held for sale and development	-	408,172	408,172	1,904,429
Restricted assets				
Real estate held for sale and development	-	-	-	1,342,044
<b>Total current assets</b>	<u>122,192,520</u>	<u>214,399,683</u>	<u>336,592,203</u>	<u>16,509,310</u>
Noncurrent assets				
Cash on deposit with escrow agent	-	-	-	50,000
Investments	12,679,813	133,669,216	146,349,029	-
Mortgage notes receivable, net of current portion	-	19,958,776	19,958,776	1,527,119
Deposits	78,745	-	78,745	-
Other assets				
Unamortized bond issue costs	1,779,899	5,053,540	6,833,439	-
Deferred loan costs	-	-	-	4,340
Real estate held for sale or development	-	-	-	667,360
Capital lease receivable, net of current portion	15,909,142	-	15,909,142	-
Deferred outflow - interest rate swap	3,231,690	31,495,109	34,726,799	-
Capital assets not being depreciated				
Land	32,679,661	30,709,731	63,389,392	850,346
Construction in progress	14,902,842	134,177,633	149,080,475	-
Capital assets net of accumulated depreciation				
Buildings, improvements and utility plant	139,804,467	521,178,304	660,982,771	5,219,173
Infrastructure	12,894,208	-	12,894,208	-
Machinery and equipment	14,352,178	12,839,929	27,192,107	-
<b>Total noncurrent assets</b>	<u>248,312,645</u>	<u>889,082,238</u>	<u>1,137,394,883</u>	<u>8,318,338</u>
<b>TOTAL ASSETS</b>	<u>\$ 370,505,165</u>	<u>\$ 1,103,481,921</u>	<u>\$ 1,473,987,086</u>	<u>\$ 24,827,648</u>

(Continued)

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

June 30, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable and accrued expenses	\$ 7,294,407	\$ 11,865,214	\$ 19,159,621	\$ 1,390,621
Accrued salaries and benefits	2,108,687	1,264,793	3,373,480	-
Accrued property taxes	-	-	-	25,821
Accrued liability for claims	15,438,244	500,000	15,938,244	-
Accrued interest	313,071	7,772,450	8,085,521	-
Retainage payable	397,644	8,425,780	8,823,424	85,687
Deferred revenue	2,787,491	1,500,000	4,287,491	748,553
Due to primary government	-	-	-	500,000
Due to related party	-	-	-	2,876
Due to grantor agency	-	-	-	25,179
Compensated absences	1,238,609	391,105	1,629,714	-
Deposits payable	31,934	26,735	58,669	42,528
Current notes and mortgages payable	195,000	-	195,000	1,165,974
Current contracts payable	-	645,601	645,601	-
General obligation bonds, current portion	3,630,000	-	3,630,000	-
Revenue bonds, current portion	3,205,000	7,435,000	10,640,000	-
Liabilities payable from restricted assets				
Due to primary government	-	-	-	582,365
<b>Total current liabilities</b>	<b>36,640,087</b>	<b>39,826,678</b>	<b>76,466,765</b>	<b>4,569,604</b>
Noncurrent liabilities				
Deferred revenue	-	2,000,000	2,000,000	-
Compensated absences	4,954,432	1,564,325	6,518,757	-
OPEB liability	42,650,241	-	42,650,241	-
Lines of credit	-	-	-	467,752
Mortgages payable, net of current portion	-	-	-	4,324,983
General obligation bonds, net of current portion	79,535,839	-	79,535,839	-
Revenue bonds, net of current portion	-	428,390,280	428,390,280	-
Contracts payable, net of current portion	-	645,601	645,601	-
Derivative instrument liability, interest rate swap	3,231,690	31,495,109	34,726,799	-
<b>Total noncurrent liabilities</b>	<b>130,372,202</b>	<b>464,095,315</b>	<b>594,467,517</b>	<b>4,792,735</b>
<b>Total liabilities</b>	<b>167,012,289</b>	<b>503,921,993</b>	<b>670,934,282</b>	<b>9,362,339</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	155,989,971	389,423,595	545,413,566	869,477
Restricted for:				
Capital projects	17,701,662	-	17,701,662	-
Debt service	3,480,333	9,292,810	12,773,143	-
Special projects	5,573,358	-	5,573,358	951,443
Unrestricted	20,747,552	200,843,523	221,591,075	13,644,389
<b>Total net assets</b>	<b>203,492,876</b>	<b>599,559,928</b>	<b>803,052,804</b>	<b>15,465,309</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 370,505,165</b>	<b>\$1,103,481,921</b>	<b>\$1,473,987,086</b>	<b>\$ 24,827,648</b>

See accompanying Notes to Financial Statements.

**CITY OF COLUMBIA, SOUTH CAROLINA  
STATEMENT OF ACTIVITIES**

Year Ended June 30, 2012

FUNCTIONS/PROGRAMS	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Assets			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental activities:								
General government	\$ 10,877,738	\$ 771,459	\$ 1,827,004	\$ 1,980,591	\$ (6,298,684)	\$ -	\$ (6,298,684)	\$ -
Judicial	2,447,105	-	-	-	(2,447,105)	-	(2,447,105)	-
Finance department	2,348,922	28,328,937	-	-	25,980,015	-	25,980,015	-
Community development	4,760,642	721,425	4,358,893	-	319,676	-	319,676	-
Public safety	75,783,788	16,154,103	22,041,771	-	(37,587,914)	-	(37,587,914)	-
Parks and recreation	9,912,910	583,471	234,094	-	(9,095,345)	-	(9,095,345)	-
Public services	24,168,009	350,100	288,908	2,131,859	(21,397,142)	-	(21,397,142)	-
General services	4,193,394	-	-	-	(4,193,394)	-	(4,193,394)	-
Community promotion	11,899,487	-	4,951,398	-	(6,948,089)	-	(6,948,089)	-
Interest expense	2,366,916	-	-	-	(2,366,916)	-	(2,366,916)	-
Non departmental	2,401,408	-	-	-	(2,401,408)	-	(2,401,408)	-
Total governmental activities	<u>151,160,319</u>	<u>46,909,495</u>	<u>33,702,068</u>	<u>4,112,450</u>	<u>(66,436,306)</u>	<u>-</u>	<u>(66,436,306)</u>	<u>-</u>
Business-type activities								
Water/sewer facilities	106,594,059	112,750,717	-	4,066,060	-	10,222,718	10,222,718	-
Hydro-electric plant	1,547,093	2,622,234	-	-	-	1,075,141	1,075,141	-
Stormwater facilities	4,595,847	4,861,153	-	-	-	265,306	265,306	-
Parking facilities	6,336,721	6,520,866	-	-	-	184,145	184,145	-
Redevelopment programs	1,966,452	599,950	-	-	-	(1,366,502)	(1,366,502)	-
Parks and recreation camps	305,939	262,582	-	-	-	(43,357)	(43,357)	-
Total business-type activities	<u>121,346,111</u>	<u>127,617,502</u>	<u>-</u>	<u>4,066,060</u>	<u>-</u>	<u>10,337,451</u>	<u>10,337,451</u>	<u>-</u>
Total Primary Government	<u>\$ 272,506,430</u>	<u>\$ 174,526,997</u>	<u>\$ 33,702,068</u>	<u>\$ 8,178,510</u>	<u>(66,436,306)</u>	<u>10,337,451</u>	<u>(56,098,855)</u>	<u>-</u>
<b>COMPONENT UNITS</b>	<u>\$ 11,595,195</u>	<u>\$ 7,102,334</u>	<u>\$ 1,367,469</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,125,392)</u>
<b>General revenues:</b>								
General property taxes					35,831,679	-	35,831,679	-
Local Option Sales Tax					14,874,049	-	14,874,049	-
Sales taxes					14,216,318	-	14,216,318	-
Motor fuel taxes					3,436	-	3,436	-
State shared revenue					2,363,791	-	2,363,791	-
Appropriations - City of Columbia					-	-	-	4,131,576
Unrestricted investment earnings					537,702	2,899,062	3,436,764	183,528
Gain (loss) on disposal of capital assets					156,323	(2,609,759)	(2,453,436)	(25,234)
Transfers					7,826,063	(7,826,063)	-	-
Total general revenues, special items, and transfers					<u>75,809,361</u>	<u>(7,536,760)</u>	<u>68,272,601</u>	<u>4,289,870</u>
Change in net assets					9,373,055	2,800,691	12,173,746	1,164,478
Net assets - beginning of period, as restated					<u>194,119,821</u>	<u>596,759,237</u>	<u>790,879,058</u>	<u>14,300,831</u>
Net assets - end of period					<u>\$ 203,492,876</u>	<u>\$ 599,559,928</u>	<u>\$ 803,052,804</u>	<u>\$ 15,465,309</u>

See accompanying Notes to Financial Statements.

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

**June 30, 2012**

	<b>General Fund</b>	<b>County Services</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 11,355,113	\$ 699,042	\$ 33,384,212	\$ 45,438,367
Investments	7,234,274	-	13,776,545	21,010,819
Receivables				
Property taxes, net	2,149,310	-	-	2,149,310
Federal government	-	-	1,988,710	1,988,710
State government	3,208,830	-	835,237	4,044,067
County	-	447,722	625,702	1,073,424
Accounts, net	503,125	-	47,842	550,967
Accrued interest receivable	35,953	-	4,858	40,811
Capital lease receivable	16,409,142	-	-	16,409,142
Due from other funds	-	-	2,465,095	2,465,095
Prepaid charges	280,272	14,536	11,433	306,241
<b>TOTAL ASSETS</b>	<b>\$ 41,176,019</b>	<b>\$ 1,161,300</b>	<b>\$ 53,139,634</b>	<b>\$ 95,476,953</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 2,799,384	\$ 177,156	\$ 1,652,038	\$ 4,628,578
Accrued salaries and benefits	1,690,970	234,585	48,931	1,974,486
Retainage payable	-	-	397,644	397,644
Deferred revenue	20,508,854	-	147,017	20,655,871
Due to other funds	-	-	6,608,174	6,608,174
Customer deposits	31,934	-	-	31,934
Advances from other funds	701,810	-	-	701,810
Total liabilities	25,732,952	411,741	8,853,804	34,998,497
Fund balances				
Nonspendable	280,272	14,536	16,433	311,241
Restricted	-	-	26,750,353	26,750,353
Assigned	190,599	735,023	17,744,836	18,670,458
Unassigned	14,972,196	-	(225,792)	14,746,404
Total fund balances	15,443,067	749,559	44,285,830	60,478,456
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 41,176,019</b>	<b>\$ 1,161,300</b>	<b>\$ 53,139,634</b>	<b>\$ 95,476,953</b>

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, 2012**

Total fund balance, governmental funds \$ 60,478,456

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

Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the statement of net assets.

Land	\$ 32,679,661	
Construction in progress	14,902,842	
Buildings and improvements, net	139,460,970	
Infrastructure, net	12,894,208	
Machinery and equipment, net	<u>13,529,175</u>	213,466,856

Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the statement of net assets.

Unamortized bond costs 1,779,899

Certain property tax revenues will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

1,459,238

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

(5,107,038)

Eliminations relating to the consolidation of internal service funds resulted in an amount due to governmental activities from business-type activities in the statement of net assets.

7,892,632

Some liabilities (such as notes payable, capital leases, contracts payable, long-term compensated absences, and bonds payable) are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the statement of net assets.

Accrued compensated absences	(6,007,399)	
Accrued interest payable	(313,071)	
Bonds and notes payable	(86,609,142)	
Unamortized deferred loss on refunding	1,885,364	
Unamortized premium	<u>(1,842,061)</u>	(92,886,309)

Capital leases receivable does not provide current financial resources and, therefore, is deferred in the fund financial statements.

16,409,142

Net assets of governmental activities in the statement of net assets

\$ 203,492,876

See accompanying Notes to Financial Statements.

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

Year Ended June 30, 2012

	General Fund	County Services	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
General property taxes	\$ 50,496,237	\$ -	\$ -	\$ 50,496,237
Sales, hospitality and admission taxes	73,462	-	14,142,856	14,216,318
Licenses and permits	28,329,064	-	-	28,329,064
Intergovernmental revenue	12,974,392	-	-	12,974,392
Charges for services	6,892,770	-	22,279	6,915,049
Fines and forfeitures	1,000,956	-	138,253	1,139,209
Federal government	-	-	7,905,552	7,905,552
State government	-	-	417,851	417,851
County government	-	19,340,512	5,672,823	25,013,335
Promotions	-	-	392,947	392,947
Confiscated funds	-	-	403,311	403,311
Interest	479,175	-	59,970	539,145
Other revenues	290,332	-	2,680,355	2,970,687
	<u>100,536,388</u>	<u>19,340,512</u>	<u>31,836,197</u>	<u>151,713,097</u>
Total revenues				
<b>EXPENDITURES</b>				
Current				
General government	6,073,363	-	148,839	6,222,202
Judicial	2,387,018	-	-	2,387,018
Finance department	1,978,427	-	-	1,978,427
Planning and development	3,939,862	-	-	3,939,862
Public safety	52,494,910	17,499,797	3,870,874	73,865,581
Parks and recreation	9,349,169	-	-	9,349,169
Public services	16,275,703	-	4,632,281	20,907,984
General services	4,109,575	-	-	4,109,575
Community promotion	226,750	-	12,248,610	12,475,360
Non departmental	2,388,824	-	-	2,388,824
Debt service				
Principal payment on bonds	480,000	-	6,725,000	7,205,000
Interest on bonds	953,112	-	3,116,069	4,069,181
Fiscal agent charges	-	-	8,913	8,913
Debt issuance costs	1,540,470	-	582,372	2,122,842
Capital outlay				
Capital outlay	4,407,806	38,157	8,892,473	13,338,436
	<u>106,604,989</u>	<u>17,537,954</u>	<u>40,225,431</u>	<u>164,368,374</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(6,068,601)</u>	<u>1,802,558</u>	<u>(8,389,234)</u>	<u>(12,655,277)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	15,758,725	-	15,263,208	31,021,933
Transfers (out)	(8,883,225)	(1,538,430)	(16,663,317)	(27,084,972)
Sales of capital assets	170,409	-	-	170,409
Bond issuance	14,825,000	-	5,575,000	20,400,000
Premium on bond issuance	-	-	343,785	343,785
Payments to refunded bonds escrow agent	(14,436,356)	-	-	(14,436,356)
	<u>7,434,553</u>	<u>(1,538,430)</u>	<u>4,518,676</u>	<u>10,414,799</u>
Total other financing sources (uses)				
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,365,952	264,128	(3,870,558)	(2,240,478)
Beginning fund balance, as restated	<u>14,077,115</u>	<u>485,431</u>	<u>48,156,388</u>	<u>62,718,934</u>
Ending fund balance	<u>\$ 15,443,067</u>	<u>\$ 749,559</u>	<u>\$ 44,285,830</u>	<u>\$ 60,478,456</u>

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**

**Year Ended June 30, 2012**

Net change in fund balances - total governmental funds \$ (2,240,478)

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the statement of activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

Capital asset purchases capitalized	\$ 13,899,942	
Depreciation expense	<u>(10,557,186)</u>	3,342,756

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and disposals) is to decrease net assets.

Disposition of capital assets	144,938	
Proceeds from the sale of capital assets	<u>(170,409)</u>	(25,471)

Internal service funds are used by management to charge costs of certain activities to individual funds. The net revenue of the internal service funds is included in governmental activities in the statement of activities.

3,315,841

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental fund statements because they are not financial resources.

1,108,400

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.

(270,509)

Governmental funds report bond proceeds as current financial resources. In contrast, the statement of activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the statement of activities treats such repayment as a reduction in long-term liabilities. This is the amount by which proceeds exceeded repayments.

Proceeds from bonds payable issued	(20,400,000)	
Proceeds from bond premium	(343,785)	
Principal retirement of long-term debt	7,205,000	
Amortization of premium	1,007,467	
Payment to refunded bond escrow agent	14,436,356	
Bond issue costs	2,122,842	
Amortization of bond issue costs	<u>(596,804)</u>	3,431,076

Some expenses reported in the statement of activities do not require the use of current financial resources, and these are not reported as expenditures in governmental funds:

Accrued compensated absences	330,423	
Accrued interest payable	<u>218,719</u>	549,142

Eliminations in the consolidation of internal service funds resulted in a net increase in expenses for the business-type activities in the statement of activities.

162,298

Change in net assets of governmental activities \$ 9,373,055

See accompanying Notes to Financial Statements.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**STATEMENT OF FUND NET ASSETS/(DEFICITS)**  
**PROPRIETARY FUNDS**  
**June 30, 2012**

	<b>Business-type Activities</b>			Total	<b>Governmental</b>
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds		Internal Service Funds
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 83,934,387	\$ 7,129,674	\$ 21,432,241	\$ 112,496,302	\$ 54,001,051
Investments	77,215,208	7,007,405	7,683,878	91,906,491	-
Accounts receivable, net	6,972,910	69,794	140,950	7,183,654	751,737
Mortgage notes receivable, net	121,900	-	407,250	529,150	-
Accrued interest receivable	330,086	31,587	40,549	402,222	-
Due from other funds	5,527,689	-	-	5,527,689	-
Due from component units	500,000	-	582,365	1,082,365	-
Inventory	2,523,770	92,402	-	2,616,172	574,887
Prepaid expenses	148,075	3,055	3,193	154,323	62,774
Real estate held for resale	-	-	408,172	408,172	-
<b>Total current assets</b>	<b>177,274,025</b>	<b>14,333,917</b>	<b>30,698,598</b>	<b>222,306,540</b>	<b>55,390,449</b>
<b>Noncurrent Assets</b>					
Mortgage notes receivable, net	-	-	19,958,776	19,958,776	-
Investments	130,549,561	3,119,655	-	133,669,216	-
Accounts receivable, net	-	-	-	-	-
Deposits	-	-	-	-	78,745
Unamortized bond costs	4,045,981	1,007,559	-	5,053,540	-
Deferred outflow - interest rate swap	31,495,109	-	-	31,495,109	-
Advances to other funds	701,810	-	-	701,810	-
<b>Capital assets</b>					
Land	13,938,688	16,425,905	345,138	30,709,731	-
Buildings, improvements and utility plant	774,422,876	42,641,813	24,781,313	841,846,002	903,586
Machinery and equipment	33,462,441	1,310,420	1,805,799	36,578,660	3,376,679
Less accumulated depreciation	(326,284,099)	(12,568,613)	(5,553,717)	(344,406,429)	(3,113,765)
Construction in progress	121,595,013	11,557,052	1,025,568	134,177,633	-
<b>Net capital assets</b>	<b>617,134,919</b>	<b>59,366,577</b>	<b>22,404,101</b>	<b>698,905,597</b>	<b>1,166,500</b>
<b>Total noncurrent assets</b>	<b>783,927,380</b>	<b>63,493,791</b>	<b>42,362,877</b>	<b>889,784,048</b>	<b>1,245,245</b>
<b>TOTAL ASSETS</b>	<b>\$ 961,201,405</b>	<b>\$ 77,827,708</b>	<b>\$ 73,061,475</b>	<b>\$ 1,112,090,588</b>	<b>\$ 56,635,694</b>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**STATEMENT OF FUND NET ASSETS/(DEFICITS)**  
**PROPRIETARY FUNDS (CONTINUED)**  
**June 30, 2012**

	<b>Business-type Activities</b>			Total	<b>Governmental</b>
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds		Internal Service Funds
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 10,864,175	\$ 690,566	\$ 310,473	\$ 11,865,214	\$ 2,665,829
Accrued salaries and benefits	1,071,977	81,108	111,708	1,264,793	134,201
Compensated absences	352,689	23,207	15,209	391,105	37,129
Retainage payable	7,836,105	535,760	53,915	8,425,780	-
Accrued interest payable	6,875,779	896,671	-	7,772,450	-
Revenue bonds payable	6,465,000	970,000	-	7,435,000	-
Due to other funds	-	716,035	-	716,035	668,575
Contract payable	-	-	645,601	645,601	-
Deposits payable	26,735	-	-	26,735	-
Deferred revenue	-	-	1,500,000	1,500,000	-
Accrued liability for claims	500,000	-	-	500,000	15,438,244
<b>Total current liabilities</b>	<b>33,992,460</b>	<b>3,913,347</b>	<b>2,636,906</b>	<b>40,542,713</b>	<b>18,943,978</b>
<b>Noncurrent Liabilities</b>					
Contract payable	-	-	645,601	645,601	-
Compensated absences	1,410,757	92,830	60,738	1,564,325	148,513
OPEB liability	-	-	-	-	42,650,241
Revenue bonds payable - net	384,146,070	44,244,210	-	428,390,280	-
Derivative instrument liability - interest rate swap	31,495,109	-	-	31,495,109	-
Deferred revenue	-	-	2,000,000	2,000,000	-
<b>Total noncurrent liabilities</b>	<b>417,051,936</b>	<b>44,337,040</b>	<b>2,706,339</b>	<b>464,095,315</b>	<b>42,798,754</b>
<b>Total liabilities</b>	<b>451,044,396</b>	<b>48,250,387</b>	<b>5,343,245</b>	<b>504,638,028</b>	<b>61,742,732</b>
<b>Net Assets</b>					
Investments in capital assets, net of related debt	358,569,686	17,272,022	22,404,101	398,245,809	1,166,500
Restricted for debt service	9,292,810	-	-	9,292,810	-
Unrestricted	142,294,513	12,305,299	45,314,129	199,913,941	(6,273,538)
<b>Total net assets</b>	<b>510,157,009</b>	<b>29,577,321</b>	<b>67,718,230</b>	<b>607,452,560</b>	<b>(5,107,038)</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 961,201,405</b>	<b>\$ 77,827,708</b>	<b>\$ 73,061,475</b>	<b>\$ 1,112,090,588</b>	<b>\$ 56,635,694</b>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds				(7,892,632)	
Net assets of business-type activities				<b>\$ 599,559,928</b>	

See accompanying Notes to Financial Statements.

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

Year Ended June 30, 2012

	<b>Business-type Activities</b>			Total	<b>Governmental Activities</b>
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds		Internal Service Funds
Operating revenues					
Charges for service	\$ 112,339,649	\$ 4,233,093	\$ 6,839,802	\$ 123,412,544	\$ 50,401,382
Other operating revenue	287,967	2,182,923	3,770	2,474,660	-
<b>Total operating revenues</b>	<b>112,627,616</b>	<b>6,416,016</b>	<b>6,843,572</b>	<b>125,887,204</b>	<b>50,401,382</b>
Operating expenses					
Personnel services	30,399,695	2,156,166	2,991,608	35,547,469	3,818,547
Materials and supplies	9,319,449	228,620	281,437	9,829,506	9,973,541
Other services and charges	34,619,074	367,984	2,703,515	37,690,573	4,657,325
Heat, light and power	6,002,216	278,898	118,372	6,399,486	46,712
Depreciation	21,563,025	1,240,936	895,175	23,699,136	241,086
Claims and premiums	-	-	-	-	32,246,281
Bad debt expense	533,343	14,265	1,412,245	1,959,853	2,536
<b>Total operating expenses</b>	<b>102,436,802</b>	<b>4,286,869</b>	<b>8,402,352</b>	<b>115,126,023</b>	<b>50,986,028</b>
<b>Operating income (loss)</b>	<b>10,190,814</b>	<b>2,129,147</b>	<b>(1,558,780)</b>	<b>10,761,181</b>	<b>(584,646)</b>
Nonoperating revenues (expenses)					
Investment income (loss)	2,520,679	150,049	230,681	2,901,409	-
Other nonoperating revenue	123,101	104,850	1,500,000	1,727,951	-
Gain (loss) from sale of assets	(1,384,289)	(1,356,277)	130,807	(2,609,759)	11,385
Interest expense	(1,469,690)	(1,933,239)	-	(3,402,929)	-
Amortization of bond costs	(2,550,993)	(103,868)	-	(2,654,861)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(2,761,192)</b>	<b>(3,138,485)</b>	<b>1,861,488</b>	<b>(4,038,189)</b>	<b>11,385</b>
<b>Income (loss) before contributions and transfers</b>	<b>7,429,622</b>	<b>(1,009,338)</b>	<b>302,708</b>	<b>6,722,992</b>	<b>(573,261)</b>
Capital contributions and transfers					
Transfers in	943,880	-	1,731,789	2,675,669	5,421,821
Transfers out	(8,375,544)	(164,361)	(1,961,827)	(10,501,732)	(1,532,719)
Development contributions	4,066,060	-	-	4,066,060	-
<b>Total capital contributions and transfers</b>	<b>(3,365,604)</b>	<b>(164,361)</b>	<b>(230,038)</b>	<b>(3,760,003)</b>	<b>3,889,102</b>
<b>Change in net assets</b>	<b>4,064,018</b>	<b>(1,173,699)</b>	<b>72,670</b>	<b>2,962,989</b>	<b>3,315,841</b>
<b>Net assets - beginning, as restated</b>	<b>506,092,991</b>	<b>30,751,020</b>	<b>67,645,560</b>		<b>(8,422,879)</b>
<b>Net assets - ending</b>	<b>\$ 510,157,009</b>	<b>\$ 29,577,321</b>	<b>\$ 67,718,230</b>		<b>\$ (5,107,038)</b>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds				(162,298)	
<b>Change in net assets of business-type activities</b>				<b>\$ 2,800,691</b>	

See accompanying Notes to Financial Statements.

**CITY OF COLUMBIA, SOUTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

Year Ended June 30, 2012

	<b>Business-type Activities</b>			Total	<b>Governmental Activities</b>
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds		Internal Service Funds
<b>Cash Flows From Operating Activities</b>					
Receipts from customers and users	\$ 112,749,839	\$ 6,519,365	\$ 6,842,583	\$ 126,111,787	\$ 3,839,941
Internal activity - receipts from other funds	-	-	-	-	46,800,458
Internal activity - payments to other funds	(10,042,821)	(603,144)	(944,178)	(11,590,143)	(644,776)
Payments to suppliers	(44,953,246)	(765,004)	(2,915,533)	(48,633,783)	(12,130,085)
Claims paid	-	-	-	-	(30,641,025)
Payments to employees	(23,871,806)	(1,640,209)	(2,525,124)	(28,037,139)	(2,433,536)
<b>Net cash provided by (used in) operating activities</b>	<u>33,881,966</u>	<u>3,511,008</u>	<u>457,748</u>	<u>37,850,722</u>	<u>4,790,977</u>
<b>Cash Flows From Noncapital Financing Activities</b>					
Due to (from) others	(3,164,790)	716,035	6,529	(2,442,226)	226,136
Payments on contracts payable	-	-	(645,600)	(645,600)	-
Transfers in	943,880	-	1,731,789	2,675,669	5,421,821
Transfers out	(8,375,544)	(164,361)	(1,961,827)	(10,501,732)	(1,532,719)
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>(10,596,454)</u>	<u>551,674</u>	<u>(869,109)</u>	<u>(10,913,889)</u>	<u>4,115,238</u>
<b>Cash Flows From Capital And Related Financing Activities</b>					
Principal paid on bonds and notes	(102,495,000)	(920,000)	-	(103,415,000)	-
Interest paid on debt	(4,654,396)	(1,942,941)	-	(6,597,337)	-
Proceeds from capital debt	206,736,318	-	-	206,736,318	-
Bond costs	(11,204,615)	-	-	(11,204,615)	-
Purchase of capital assets	(63,791,887)	(9,645,301)	(1,436,671)	(74,873,859)	(563,473)
Proceeds from sale of capital assets	86,481	1,116,852	117,735	1,321,068	11,385
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>24,676,901</u>	<u>(11,391,390)</u>	<u>(1,318,936)</u>	<u>11,966,575</u>	<u>(552,088)</u>
<b>Cash Flows From Investing Activities</b>					
Sale (Purchase) of investments, net	(26,260,384)	8,656,003	880,936	(16,723,445)	-
Advances of mortgage notes receivable	(77,203)	-	(5,125,300)	(5,202,503)	-
Collections of mortgage notes receivable	62,343	-	5,772,433	5,834,776	-
Interest received	2,494,074	143,116	219,884	2,857,074	-
Other nonoperating revenues	123,101	104,850	1,500,000	1,727,951	-
Collections on accounts	-	-	3,500,000	3,500,000	-
Purchase of real estate held for resale	-	-	(241,402)	(241,402)	-
<b>Net cash provided by (used in) investing activities</b>	<u>(23,658,069)</u>	<u>8,903,969</u>	<u>6,506,551</u>	<u>(8,247,549)</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	24,304,344	1,575,261	4,776,254	30,655,859	8,354,127
Cash and cash equivalents, July 1, 2011	<u>59,630,043</u>	<u>5,554,413</u>	<u>16,655,987</u>	<u>81,840,443</u>	<u>45,646,924</u>
<b>Cash and cash equivalents, June 30, 2012</b>	<u>\$ 83,934,387</u>	<u>\$ 7,129,674</u>	<u>\$ 21,432,241</u>	<u>\$ 112,496,302</u>	<u>\$ 54,001,051</u>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (Continued)**

Year Ended June 30, 2012

	<b>Business-type Activities</b>			Total	<b>Governmental Activities</b>
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds		Internal Service Funds
Reconciliation Of Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities					
<b>Operating income (loss)</b>	<u>\$ 10,190,814</u>	<u>\$ 2,129,147</u>	<u>\$ (1,558,780)</u>	<u>\$ 10,761,181</u>	<u>\$ (584,646)</u>
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	21,563,025	1,240,936	895,175	23,699,136	241,086
Bad debt expense	533,343	14,265	1,412,245	1,959,853	2,536
Change in operating assets and liabilities					
Accounts receivable	122,223	103,349	(140,096)	85,476	239,017
Inventory	125,543	31,236	-	156,779	(44,475)
Prepaid expenses	(115,277)	197	(1,781)	(116,861)	478,398
Accounts payable	726,050	(33,454)	(117,277)	575,319	149,546
Accrued salaries	118,954	13,268	(9,990)	122,232	14,330
Accrued compensated absences	117,291	12,064	(21,748)	107,607	(60,312)
OPEB liability	-	-	-	-	2,750,241
Accrued liability for claims	500,000	-	-	500,000	1,605,256
Total adjustments	<u>23,691,152</u>	<u>1,381,861</u>	<u>2,016,528</u>	<u>27,089,541</u>	<u>5,375,623</u>
<b>Net cash provided by (used in) operating activities</b>	<u><u>\$ 33,881,966</u></u>	<u><u>\$ 3,511,008</u></u>	<u><u>\$ 457,748</u></u>	<u><u>\$ 37,850,722</u></u>	<u><u>\$ 4,790,977</u></u>
<b>Noncash Investing, Capital and Financing Activities</b>					
Water and sewer contributed assets	<u><u>\$ 4,066,060</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,066,060</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

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

June 30, 2012

**Private-Purpose Trust Funds**

	<b>Breast Cancer Awareness</b>	<b>Police Canteen</b>	<b>Inspections Education Program</b>	<b>Employee Special Activity</b>	<b>Mayor's Commission Employ People with Disabilities</b>	<b>Restricted Donations</b>	<b>Total Private- Purpose Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 1,455	\$ 1,054	\$ 100	\$ 9,576	\$ 3,670	\$ -	\$ 15,855	\$ 53,551
<b>Total assets</b>	<u>1,455</u>	<u>1,054</u>	<u>100</u>	<u>9,576</u>	<u>3,670</u>	<u>-</u>	<u>15,855</u>	<u>\$ 53,551</u>
<b>LIABILITIES</b>								
Accounts payable	-	-	-	379	-	-	379	\$ 53,551
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>379</u>	<u>-</u>	<u>-</u>	<u>379</u>	<u>\$ 53,551</u>
<b>NET ASSETS</b>								
Held in trust - other purposes	<u>\$ 1,455</u>	<u>\$ 1,054</u>	<u>\$ 100</u>	<u>\$ 9,197</u>	<u>\$ 3,670</u>	<u>\$ -</u>	<u>\$ 15,476</u>	

See accompanying Notes to Financial Statements.

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

Year Ended June 30, 2012

	<b>Private-Purpose Trust Funds</b>						
	<b>Breast Cancer Awareness</b>	<b>Police Canteen</b>	<b>Inspections Education Program</b>	<b>Employee Special Activity</b>	<b>Mayor's Commission Employ People with Disabilities</b>	<b>Restricted Donations</b>	<b>Total Private- Purpose Trust Funds</b>
<b>ADDITIONS</b>							
Contributions:							
Private donations	\$ 4,842	\$ 3,686	\$ -	\$ 12,472	\$ -	\$ -	\$ 21,000
<b>Total contributions</b>	<u>4,842</u>	<u>3,686</u>	<u>-</u>	<u>12,472</u>	<u>-</u>	<u>-</u>	<u>21,000</u>
<b>DEDUCTIONS</b>							
Administrative expenses	5,300	3,430	-	3,275	-	1,798	13,803
<b>Total deductions</b>	<u>5,300</u>	<u>3,430</u>	<u>-</u>	<u>3,275</u>	<u>-</u>	<u>1,798</u>	<u>13,803</u>
<b>Change in net assets</b>	(458)	256	-	9,197	-	(1,798)	7,197
Net assets - beginning	1,913	798	100	-	3,670	1,798	8,279
<b>Net assets - ending</b>	<u>\$ 1,455</u>	<u>\$ 1,054</u>	<u>\$ 100</u>	<u>\$ 9,197</u>	<u>\$ 3,670</u>	<u>\$ -</u>	<u>\$ 15,476</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 Carolina.

**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, 2012

	<b>Columbia Development Corporation</b>	<b>Columbia Housing Development Corporation</b>	<b>Eau Claire Development Corporation</b>	<b>Midlands Authority for Conventions, Sports, and Tourism</b>	<b>TN Development Corporation</b>	<b>Total</b>
<b>ASSETS</b>						
Current Assets						
Cash and cash equivalents	\$ 353,867	\$ 185,316	\$ 340,144	\$ 2,971,938	\$ 535,147	\$ 4,386,412
Certificates of deposit	200,000	100,000	100,000	-	100,000	500,000
Investments	-	-	-	7,069,538	-	7,069,538
Accounts receivable	4,345	8,690	-	771,123	245,159	1,029,317
Accrued interest receivable	1,091	-	-	-	-	1,091
Mortgage notes receivable, current portion	72,539	42,000	-	-	-	114,539
Security deposits	-	-	-	2,500	-	2,500
Prepaid expenses	4,451	4,832	6,601	124,010	19,546	159,440
Real estate held for sale and development	901,728	419,830	582,871	-	-	1,904,429
Restricted Assets						
Real estate held for sale and development	-	1,336,049	5,995	-	-	1,342,044
<b>Total current assets</b>	<b>1,538,021</b>	<b>2,096,717</b>	<b>1,035,611</b>	<b>10,939,109</b>	<b>899,852</b>	<b>16,509,310</b>
Capital Assets						
Capital assets, not being depreciated	-	66,615	73,000	-	710,731	850,346
Capital assets, net of accumulated depreciation	271	558,121	443,008	653,198	3,564,575	5,219,173
<b>Net capital assets</b>	<b>271</b>	<b>624,736</b>	<b>516,008</b>	<b>653,198</b>	<b>4,275,306</b>	<b>6,069,519</b>
Other Assets						
Mortgage note receivable, net of allowance	784,489	742,630	-	-	-	1,527,119
Real estate held for sale and development	-	-	-	-	667,360	667,360
Deferred loan costs	-	-	-	-	4,340	4,340
Cash on deposit with escrow agent	50,000	-	-	-	-	50,000
<b>Total other assets</b>	<b>834,489</b>	<b>742,630</b>	<b>-</b>	<b>-</b>	<b>671,700</b>	<b>2,248,819</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,372,781</b>	<b>\$ 3,464,083</b>	<b>\$ 1,551,619</b>	<b>\$ 11,592,307</b>	<b>\$ 5,846,858</b>	<b>\$ 24,827,648</b>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA  
COMBINING STATEMENT OF NET ASSETS -  
BUSINESS-TYPE ACTIVITY DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)**

June 30, 2012

	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Authority for Conventions, Sports, and Tourism	TN Development Corporation	Total
<b>LIABILITIES</b>						
Current Liabilities						
Accounts payable	\$ 4,780	\$ 6,351	\$ 4,882	\$ 1,037,003	\$ 176,838	\$ 1,229,854
Accrued expenses	58,768	23,650	14,927	-	63,422	160,767
Retainage payable	-	3,300	-	-	82,387	85,687
Accrued property taxes	-	25,821	-	-	-	25,821
Customer deposits	-	-	1,500	-	41,028	42,528
Due to primary government	200,000	100,000	100,000	-	100,000	500,000
Due to related party	-	2,876	-	-	-	2,876
Due to grantor agency	-	25,179	-	-	-	25,179
Mortgage/bonds/notes payable - current portion	-	-	1,050,640	-	115,334	1,165,974
Deferred revenue	-	147,842	1,581	591,331	7,799	748,553
Liabilities payable from restricted assets						
Due to primary government	-	576,370	5,995	-	-	582,365
<b>Total current liabilities</b>	<b>263,548</b>	<b>911,389</b>	<b>1,179,525</b>	<b>1,628,334</b>	<b>586,808</b>	<b>4,569,604</b>
Noncurrent Liabilities						
Lines of credit	-	467,752	-	-	-	467,752
Mortgage/bonds payable	-	-	-	-	4,324,983	4,324,983
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>467,752</b>	<b>-</b>	<b>-</b>	<b>4,324,983</b>	<b>4,792,735</b>
<b>TOTAL LIABILITIES</b>	<b>263,548</b>	<b>1,379,141</b>	<b>1,179,525</b>	<b>1,628,334</b>	<b>4,911,791</b>	<b>9,362,339</b>
Net Assets						
Invested in capital assets	271	-	216,008	653,198	-	869,477
Restricted						
Special project	-	888,274	-	63,169	-	951,443
Unrestricted	2,108,962	1,196,668	156,086	9,247,606	935,067	13,644,389
<b>Total net assets</b>	<b>2,109,233</b>	<b>2,084,942</b>	<b>372,094</b>	<b>9,963,973</b>	<b>935,067</b>	<b>15,465,309</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,372,781</b>	<b>\$ 3,464,083</b>	<b>\$ 1,551,619</b>	<b>\$ 11,592,307</b>	<b>\$ 5,846,858</b>	<b>\$ 24,827,648</b>

See accompanying Notes to Financial Statements.

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

Year Ended June 30, 2012

	Program Revenue				Net (Expense) Revenues and Changes in Net Assets					
	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	Totals
Columbia Development Corporation Community Development	\$ 573,185	\$ 9,490	\$ -	\$ -	\$ (563,695)	\$ -	\$ -	\$ -	\$ -	\$ (563,695)
Columbia Housing Development Corporation Community Development	655,155	45,116	295,275	-	-	(314,764)	-	-	-	(314,764)
Eau Claire Development Corporation Community Development	165,293	34,620	300,000	-	-	-	169,327	-	-	169,327
Midlands Authority for Convention, Sports, and Tourism Community Promotions	8,852,339	6,007,804	-	-	-	-	-	(2,844,535)	-	(2,844,535)
TN Development Corporation Community Development	<u>1,349,223</u>	<u>1,005,304</u>	<u>772,194</u>	-	-	-	-	-	<u>428,275</u>	<u>428,275</u>
Total component units	<u>\$ 11,595,195</u>	<u>\$ 7,102,334</u>	<u>\$ 1,367,469</u>	<u>\$ -</u>	<u>(563,695)</u>	<u>(314,764)</u>	<u>169,327</u>	<u>(2,844,535)</u>	<u>428,275</u>	<u>(3,125,392)</u>
General revenues:										
Appropriations - City of Columbia					309,525	185,933	155,942	3,031,924	448,252	4,131,576
Investment earnings					150,775	6,592	480	25,499	182	183,528
Gain (loss) from disposal of capital assets					-	-	(25,234)	-	-	(25,234)
Total general revenues					<u>460,300</u>	<u>192,525</u>	<u>131,188</u>	<u>3,057,423</u>	<u>448,434</u>	<u>4,289,870</u>
Change in net assets					(103,395)	(122,239)	300,515	212,888	876,709	1,164,478
Beginning net assets (deficit)					<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>
Net assets - ending					<u>\$ 2,109,233</u>	<u>\$ 2,084,942</u>	<u>\$ 372,094</u>	<u>\$ 9,963,973</u>	<u>\$ 935,067</u>	<u>\$ 15,465,309</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, 2012

**ASSETS**

Current Assets	
Cash and cash equivalents	\$ 385,517
Accounts receivable, net	17,621
Accrued interest receivable	45,369
Loans receivable - current portion	120,320
Prepaid expenses	<u>3,394</u>
Total current assets	<u>572,221</u>
Capital Assets	
Land	1,895,078
Buildings	1,526,929
Leasehold improvements	666,818
Office furniture and fixtures	57,730
Accumulated depreciation	<u>(157,133)</u>
Net capital assets	<u>3,989,422</u>
Other Assets	
Loans receivable, net of allowance	2,749,867
Organization costs, net	6,981
Utility deposits	1,592
Cash and cash equivalents - restricted	<u>10,732</u>
Total other assets	<u>2,769,172</u>
<b>TOTAL ASSETS</b>	<b><u><u>7,330,815</u></u></b>

**LIABILITIES**

Current Liabilities	
Accounts payable	<u>8,653</u>
Total current liabilities	8,653
Long-term liabilities payable from restricted assets	<u>10,732</u>
Total liabilities	<u>19,385</u>
Net Assets	
Unrestricted	<u>7,311,430</u>
Total net assets	<u>7,311,430</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$ 7,330,815</u></u></b>

See accompanying Notes to Financial Statements.

**CITY OF COLUMBIA, SOUTH CAROLINA  
STATEMENT OF ACTIVITIES -  
DISCRETELY PRESENTED COMPONENT UNIT  
COLUMBIA EMPOWERMENT ZONE, INC.**

**For the Year Ended June 30, 2012**

**UNRESTRICTED NET ASSETS**

Support and Revenues	
Rental income	\$ 191,040
Interest income mortgage loans	111,914
Property tax abatement income	15,065
Recovery of prior account write-offs	30,000
Other income	<u>1,850</u>
Total unrestricted support and revenues	<u>349,869</u>
Expenses	
Program services	
Economic development	458,353
Supporting services	
Management and general	<u>89,920</u>
Total operating expenses	<u>548,273</u>
Change in unrestricted net assets	(198,404)
Net assets, beginning of period	<u>7,509,834</u>
<b>Net assets, end of period</b>	<b><u><u>\$ 7,311,430</u></u></b>

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, 2012**

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**CITY OF COLUMBIA, SOUTH CAROLINA**  
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**Year Ended June 30, 2012**

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**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Columbia (the City), 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 130,591, living within an area of 134.9 square miles. The Greater Columbia Metropolitan Area consists of Lexington and Richland Counties and has an estimated population of 794,491. 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 entity are reported in the Tourism Development Convention Center fund, a nonmajor special revenue fund.

***Columbia Parking Facilities Corporation***

This is a single-purpose entity, whose balances are reported in the general fund, 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 Innovista project. The Board of Directors is comprised of five members of City Council. For further discussion of this component unit, see Note III. F.

**Discretely Presented Component Units**

***Columbia Empowerment Zone, Inc. (CEZ)***

Incorporated in 2009, the CEZ was formed to carry out the mission of the Columbia Empowerment Zone, Inc., a federally designated area (1999-2009). The purpose of CEZ 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 is not a governmental entity and therefore uses a different reporting model. As such, its balances and transactions are reported on separate financial statements.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

**A. REPORTING ENTITY (Continued)**

**Discretely Presented Component Units (Continued)**

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

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

***Eau Claire Development Corporation (ECDC)***

Incorporated in 1993, the ECDC provides assistance in the conservation and redevelopment of neighborhoods located in the Eau Claire area of 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 under a long-term management arrangement for the mutual benefit of the City and Richland and Lexington Counties of South Carolina (the Governmental Entities). The Governmental Entities have pledged their tourism development fees to support this project. However, outside of this pledge of revenues, the City is responsible for issuing the initial debt to fund this project and will retain title to the Convention Center.

***TN Development Corporation (TNDC)***

Incorporated in 1993 as an eleemosynary organization, the TNDC was organized to promote growth and develop opportunities for affordable rental housing. The ten-member Board of Directors is composed of three members from 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 South Carolina State Housing Finance and Development Authority.

Complete financial statements of the discretely presented individual Component Units can be requested from the City's Finance Director.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2012

---

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

**B. BASIS OF PRESENTATION**

**GOVERNMENT WIDE FINANCIAL STATEMENTS**

The Statement of Net Assets and Statement of Activities display information about the 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, inter-governmental revenue, 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 financial statements. These statements include all funds of the reporting entity 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.

*Special Revenue Funds*

These funds are used to account for revenue 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.
- Liquor Permit Fee – accounts for receipts from the sale of temporary permits to allow the possession, sale and consumption of alcoholic liquors for a period not to exceed twenty four hours.
- 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.
- Accommodations Tax – accounts for State Hotel Accommodations Tax receipts 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.
- Hospitality Tax – accounts for a local 2% gross sales tax on prepared food and beverages sold in establishments.
- Franchise Fee – accounts for the two percent increase in the SCE&G franchise fee to be used to fund public transportation.
- Community Development – accounts for the Community Development Block Grants and other community development type grants.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

---

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

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

**FUND FINANCIAL STATEMENTS (Continued)**

*Special Revenue Funds (Continued)*

- Federal Grants – accounts for federal grant funds received except for Community Development Block Grants.
- Other Programs – provides for miscellaneous programs for park improvements and special events.
- 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. This fund also accounts for the activities of the Public Facilities Corporation, a blended component unit.

*Debt Service Fund*

This fund accounts for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the City, other than debt service payments financed by proprietary fund types. Transfers, interest earned on the investments of the Debt Service Fund and, if applicable, interest earned on investments of certain Capital Projects Funds are used for the payment of principal, interest, and fiscal agent expenditures on the City's general obligation and revenue bonds, and bond anticipation notes.

*Capital Projects Funds*

The Capital Projects Funds account for all capital improvements, except those accounted for in Proprietary Funds, financed by the City's general obligation bond issues, certain Federal grants, and other specific receipts. These funds include:

- Congaree Vista 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:

- Dickson Trust – accounts for trust funds specifically intended for the income to be used for beautification of the parks. The funds are invested in an interest bearing account. The amount invested equals the fair value.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

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

**FUND FINANCIAL STATEMENTS (Continued)**

**Proprietary Fund Types:**

*Business-type Funds*

The business-type funds are used to account for operations of the City (a) that are financed and operated in a manner similar to private business where the intent is for the cost of providing goods or services to be recovered, in whole or in part, through user charges; or (b) where 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.
- Stormwater Facilities Fund -- accounts for stormwater 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.

*Internal Service Funds*

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City, or to other governments, on a user charge basis. These funds include:

- Fleet Management -- accounts for the maintenance and repair of movable vehicles.
- Support Services -- accounts for a decentralized governmental and business-type inventory system, a central supply facility, procurement functions and the City's general maintenance functions.
- Risk Management -- accounts for the costs associated with self-funded liability plans for employee health, worker's compensation, unemployment, and tort liability for all City departments.

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

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

*Agency Fund*

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

*Private-Purpose Trust Funds*

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

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

**FUND FINANCIAL STATEMENTS (Continued)**

*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 services provided to citizens outside the City limits and the reimbursement for expenditures from Richland County.

The City reports the following major proprietary funds:

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

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary funds and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)**

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, the allowance for doubtful accounts, and certain claims and judgment liabilities among other accounts. Actual results could differ from those estimates.

**D. ASSETS AND LIABILITIES**

***Deposits***

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

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

***Investments***

In accordance with GASB 31, investments in all funds are stated at fair value. State statutes authorize the City to invest in certificates of deposit, United States Treasury and United States Agency obligations, South Carolina and related political subdivision 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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

**D. ASSETS AND LIABILITIES (Continued)**

***Real Estate***

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

***Mortgage Notes and Notes Receivable and Allowance for Loan Losses***

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

Balances between funds that are outstanding at the end of the fiscal year and expected to be repaid within the current period are referred to as "due to/from other funds." Balances between funds not expected to be repaid within the current period are referred to as "advances 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, 2012**

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**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 debt used to fund the construction of the garages. Revenue related to the lease receivable is deferred in the funds until earned.

***Restricted Assets***

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

***Compensated Absences***

It is the City's policy to allow employees to accumulate unused vacation and sick leave benefits up to certain maximum hours. Once an employee has completed the probationary period, accumulated unused vacation and 20% of unused sick leave, as restricted below, are payable upon termination of employment with the City. An employee with service of less than ten years may receive up to a maximum of two weeks of accrued compensated absences. 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 ten weeks 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, 2012. 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, discounts, or deferred refunding costs 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 and deferred refunding 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 and deferred refunding 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. Payments to refunded bonds escrow agent are reported as other financing uses to the extent the proceeds from the bond are used to make the payment. Any payment made from funds on hand is reported as an expenditure.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

**E. REVENUES, EXPENDITURES AND EXPENSES**

***Property Tax Revenues***

Real property and business personal property taxes, excluding automobile property taxes, become enforceable liens as of January 1. Real property taxes are levied in November and are payable immediately, but can be paid without penalty before January 16. Automobile property taxes are levied throughout the year depending on vehicle tag expiration dates. Business personal property taxes are levied in September and are payable by January 15. Property taxes are assessed and collected by Richland and Lexington Counties under a joint billing and collection agreement. The City collects property taxes assessed in Richland and Lexington Counties on property annexed into Columbia.

That portion, if any, 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 \$14.9 million during the year ended June 30, 2012. There was a cap placed on the tax in order to prevent a windfall effect of taxes collected. This "cap" created deferred revenue of approximately \$2.6 million in the General Fund and Statement of Net Assets as of June 30, 2012.

***Investment Income***

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

***Grant Revenue***

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

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

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



**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

**F. FUND BALANCE (Continued)**

***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.

***Fund reclassifications***

During the year ended June 30, 2012 the City determined fund reclassifications were required in order to report funds in accordance with GASB Statement No. 54. These fund reclassifications had the following effect on the City's governmental fund balances as previously reported:

	<u>General</u>	<u>County Services</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
Fund balance as previously reported	\$14,044,351	\$485,451	\$ 48,187,299	\$ 62,717,101
Miscellaneous adjustments	1,851	(20)	2	1,833
Fund reclassifications				
Other Programs	30,913	-	(495,937)	(465,024)
Liquor Permit Fee	-	-	465,024	465,024
Total fund reclassifications	<u>30,913</u>	<u>-</u>	<u>(30,913)</u>	<u>-</u>
Restated fund balance at July 1, 2011	<u>\$14,077,115</u>	<u>\$485,431</u>	<u>\$ 48,156,388</u>	<u>\$ 62,718,934</u>

The fund reclassifications above did not have an effect on net assets as previously reported. In addition to the reclassifications above the beginning fund balance of the general fund and the beginning net assets of the governmental activities shown on the Statement of Net Assets was adjusted by approximately \$1,800.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**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	\$ 280,272
County Services	Prepaid charges	14,536
Federal Grants	Prepaid charges	11,433
Dickson Trust	Nonspendable principal	<u>5,000</u>
Total nonspendable		<u>311,241</u>
Restricted		
Accommodations Tax	City promotions	346,283
Tourism Development Convention Center	Tourism	2,365,629
Hospitality Tax	City promotions	2,066,607
Confiscated Drug Program	Law enforcement	386,158
Other Programs	Community service	403,103
Debt Service Fund	Debt Service	3,480,333
Vista District Projects	Construction of parks in Congaree Vista District	8,127,565
Miscellaneous Projects	General capital projects	9,574,097
Dickson Trust	Restricted investment	<u>578</u>
Total restricted		<u>26,750,353</u>
Assigned		
General Fund	Community service	190,599
County Services	Fire department operations	735,023
Franchise Fee	Transportation system	3,818,029
Streetscaping	Streetscaping capital projects	8,537,148
General Capital Projects	General capital improvements	<u>5,389,659</u>
Total assigned		<u>18,670,458</u>
Unassigned		
General Fund		14,972,196
Liquor Permit Fee		(214,359)
Federal Grants		<u>(11,433)</u>
Total unassigned		<u>14,746,404</u>
Total fund balances		<u><u>\$ 60,478,456</u></u>

**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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**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 deficit fund balance of \$5,189,401 at June 30, 2012. The Liquor Permit Fee Special Revenue Fund had a deficit fund balance of \$214,359 at June 30, 2012. Revenues and transfers from other funds in subsequent years are expected to fund these deficits.

**C. RISK MANAGEMENT**

The City is self-insured for medical and dental coverage. Health claims for individuals are limited to an annual amount of \$2,000,000 with a stop-loss provision of \$350,000 per year. The accrued liability for prior year claims represents estimates for medical and dental claims incurred as of June 30, 2012. Some of these claims were reported at June 30, 2012, while others may not be reported until a later date. The incurred but not reported (IBNR) is estimated by the City's independent insurance administrator based on historical results.

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

The Risk Management Fund establishes claim liabilities (health, dental, worker's compensation, and legal) based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved.

Estimated amounts of salvage, subrogation, and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount, particularly for coverage such as general liability. Adjustments to claim liabilities are charged or credited to expense in the period in which they are made.

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

Fiscal Year	Beginning Liability	Current Year Claims and Changes in Estimates	Claims Payments	Ending Liability
2011	\$13,010,644	\$22,167,701	(\$20,709,664)	\$14,468,681
2012	\$14,468,681	\$28,787,456	(\$27,317,893)	\$15,938,244

This liability is reported in both the risk management fund of the internal services funds and the water and sewer facilities fund.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

**C. RISK MANAGEMENT (Continued)**

Fiscal year 2012 aggregate liability above includes the following amounts for legal claims: \$7,554,864 beginning liability, \$2,534,136 current year claims and changes in estimates, and \$1,865,686 claims payments. The ending liability for legal claims is \$8,223,314. 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, 2012, the City, excluding component units, had the following investments (in thousands):

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>		
	Fair Value	Less Than 1	Greater Than 1
Certificates of Deposit / Money Market	\$ 167,197,053	\$ 110,095,860	\$ 57,101,193
Treasuries	49,433,631	6,501,195	42,932,436
Agencies	29,688,464	9,995,310	19,693,154
Municipals	<u>267,378</u>	<u>-</u>	<u>267,378</u>
Total	<u>\$ 246,586,526</u>	<u>\$ 126,592,365</u>	<u>\$ 119,994,161</u>

***Investment Classification***

Investments are classified as current or noncurrent on the Statements of Net Assets based on the intended use of the investment. Investments purchased with bond proceeds that will be used to purchase capital assets are classified as noncurrent. All other investments are classified as current regardless of the maturity date.

***Interest Rate Risk***

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

***Credit Risk***

State law and the City's investment policy limit investments to the following securities:

- Obligations of the United States and agencies thereof.
- General obligations of the State of South Carolina or any of its political subdivisions.
- Certificates of deposit where the certificates are collaterally insured by securities described above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest.
- Repurchase agreements when collateralized by securities set forth above.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

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

***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, 2012, 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, 2012, are as follows:

General Fund	\$	503,125
Other Governmental Funds	\$	47,842
Water/Sewer Facilities	\$	6,972,910
Parking Facilities	\$	69,794
Nonmajor Business-type activities	\$	140,950

Receivables for the governmental entity component units consist of items totaling \$1,029,317 and CEZ, Inc. held receivables of \$17,621 at June 30, 2012, which are net of allowances for doubtful accounts. As of June 30, 2012, the allowance for doubtful accounts was approximately \$350 and \$17,620 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. Government funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At June 30, 2012, the various components of deferred revenue in the governmental funds were as follows:

Capital lease receivable (General Fund)	\$	16,409,142
Delinquent property taxes (General Fund)		1,459,238
Amounts received, but not yet expended (General Fund, Confiscated Drug Program Fund, Community Development Federal Grants Fund, Streetscaping Fund)		2,787,491
Total deferred revenue		\$ 20,655,871

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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**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 approximately \$1,583,000 of the total net mortgage notes receivable of approximately \$20,487,900 as of June 30, 2012.

***Component units***

The Columbia Housing Development Corporation (CHDC) has mortgage notes receivable consisting of \$784,630, which is net of an allowance for uncollectible loans of \$79,524. Mortgage notes receivable consist of loans to individuals under various federal housing lending programs and have various interest rates and maturity dates. The Columbia Housing Development Corporation is considered a real estate development corporation and revenue recognition is applied under the cost recovery method.

The Columbia Development Corporation (CDC) has mortgage notes receivable consisting of \$857,028, which is net of an allowance for uncollectible loans of \$400,000. Mortgage notes receivable consist of three loans to corporations for the purpose of community development and have various interest rates and maturity dates. The Columbia Development Corporation is considered a community development corporation and revenue recognition is applied under the cost recovery method.

CEZ, Inc. has loans receivable amounting to \$2,870,187, which is the net of allowance for uncollectible loans of \$652,209. 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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

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

The interfund receivables and payables at June 30, 2012, are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Funds:		
Water/Sewer Facilities	\$ 6,229,499	\$ -
Parking Facilities	-	716,035
General Fund	-	701,810
Other Governmental	2,465,095	6,608,174
Internal Service	-	668,575
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 8,694,594</u>	<u>\$ 8,694,594</u>

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

The interfund transfers at June 30, 2012, are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$15,758,725	\$ 8,883,225
County Services	-	1,538,430
Nonmajor governmental funds	15,263,208	16,663,317
Water/Sewer	943,880	8,375,544
Parking	-	164,361
Nonmajor proprietary funds	1,731,789	1,961,827
Internal service funds	5,421,821	1,532,719
	<u>                    </u>	<u>                    </u>
	<u>\$39,119,423</u>	<u>\$39,119,423</u>

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

**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, 2012, were approximately \$1,121,200. Future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2013	\$ 743,817
2014	743,817
2015	743,817
2016	466,730
2017	466,730
2018 - 2022	252,000
2023 - 2027	252,000
2028 - 2032	252,000
2033 - 2037	252,000
2038 - 2042	<u>100,800</u>
Total	<u>\$ 4,273,711</u>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

**F. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2012, is as follows:

	Balance June 30, 2011	Increases	Transfers	Decreases	Balance June 30, 2012
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 32,675,760	\$ 3,901	\$ -	\$ -	\$ 32,679,661
Construction in progress	7,280,794	8,804,848	-	(1,182,800)	14,902,842
Total capital assets not being depreciated	<u>39,956,554</u>	<u>8,808,749</u>	<u>-</u>	<u>(1,182,800)</u>	<u>47,582,503</u>
Capital assets, being depreciated:					
Buildings and improvements	184,485,376	1,155,493	-	-	185,640,869
Machinery and equipment	42,052,042	5,680,065	158,929	(2,232,054)	45,658,982
Infrastructure	21,227,570	1,108,400	-	-	22,335,970
Total capital assets, being depreciated	<u>247,764,988</u>	<u>7,943,958</u>	<u>158,929</u>	<u>(2,232,054)</u>	<u>253,635,821</u>
Less accumulated depreciation:					
Buildings and improvements	(39,720,370)	(6,116,032)	-	-	(45,836,402)
Machinery and equipment	(29,628,108)	(3,728,144)	(163,456)	2,212,904	(31,306,804)
Infrastructure	(8,487,666)	(954,096)	-	-	(9,441,762)
Total accumulated depreciation	<u>(77,836,144)</u>	<u>(10,798,272)</u>	<u>(163,456)</u>	<u>2,212,904</u>	<u>(86,584,968)</u>
Total capital assets, being depreciated, net	<u>169,928,844</u>	<u>(2,854,314)</u>	<u>(4,527)</u>	<u>(19,150)</u>	<u>167,050,853</u>
Governmental activities capital assets, net	<u>\$209,885,398</u>	<u>\$ 5,954,435</u>	<u>\$ (4,527)</u>	<u>\$ (1,201,950)</u>	<u>\$214,633,356</u>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

**F. CAPITAL ASSETS (Continued)**

	Balance June 30, 2011	Increases	Transfers	Decreases	Balance June 30, 2012
<b>Business-Type Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 32,982,677	\$ 200,183	\$ -	\$ (2,473,129)	\$ 30,709,731
Construction in progress	81,751,197	71,741,463	-	(\$19,315,027)	134,177,633
Total capital assets not being depreciated	<u>114,733,874</u>	<u>71,941,646</u>	<u>-</u>	<u>(21,788,156)</u>	<u>164,887,364</u>
Capital assets, being depreciated:					
Buildings and improvements	822,762,454	23,381,086	-	(4,297,538)	841,846,002
Machinery and equipment	34,646,182	2,830,157	(158,929)	(738,750)	36,578,660
Total capital assets, being depreciated	<u>857,408,636</u>	<u>26,211,243</u>	<u>(158,929)</u>	<u>(5,036,288)</u>	<u>878,424,662</u>
Less accumulated depreciation:					
Buildings and improvements	(302,225,132)	(21,321,481)	-	2,878,915	(320,667,698)
Machinery and equipment	(22,209,758)	(2,377,655)	163,456	685,226	(23,738,731)
Total accumulated depreciation	<u>(324,434,890)</u>	<u>(23,699,136)</u>	<u>163,456</u>	<u>3,564,141</u>	<u>(344,406,429)</u>
Total capital assets, being depreciated, net	<u>532,973,746</u>	<u>2,512,107</u>	<u>4,527</u>	<u>(1,472,147)</u>	<u>534,018,233</u>
Business-type activities capital assets, net	<u><u>\$647,707,620</u></u>	<u><u>\$ 74,453,753</u></u>	<u><u>\$ 4,527</u></u>	<u><u>\$(23,260,303)</u></u>	<u><u>\$698,905,597</u></u>

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

<b>Governmental Activities:</b>	
General government	\$ 6,067,209
Public safety	2,341,857
Parks and recreation	1,140,758
Public services	884,407
Judicial	48,979
Community development	25,222
General services	30,632
Nondepartmental	15,934
Finance department	2,188
Internal service funds	241,086
Total depreciation expense - governmental activities	<u><u>\$ 10,798,272</u></u>
<b>Business-type Activities:</b>	
Water/Sewer facilities	\$ 21,563,025
Stormwater facilities	571,709
Parking facilities	1,240,936
Hydro electric plant	323,466
	<u><u>\$ 23,699,136</u></u>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

**F. CAPITAL ASSETS (Continued)**

During the year ended June 30, 2012, \$6,314,107 of interest expense in the Business-type activities was capitalized. Construction commitments as of June 30, 2012, totaled approximately \$89,887,300.

***Columbia Parking Facilities Corporation***

In 2008, construction was completed on the Innovista parking garages. The parking garages and corresponding long-term debt were recorded by the Columbia Parking Facilities Corporation (the Corporation), a blended component unit as noted in Note III. F. 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 \$16,409,142.

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

Year Ending June 30,	Amount
2013	\$ 617,145
2014	652,932
2015	648,719
2016	684,279
2017	4,648,861
2018-2022	3,124,750
2023-2027	3,851,800
2028-2032	3,392,030
Total	17,620,516
Less: Amounts representing interest	1,211,374
Total minimum future rentals	\$ 16,409,142

**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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

**H. OTHER POSTEMPLOYMENT BENEFITS**

***Plan Description and Funding Policy***

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, 2012, premiums totaled approximately \$1,764,400. Retirees paid dependent coverage of approximately \$793,400. 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.

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Participants:					
Active	2,030	2,039	2,234	2,179	2,197
Retired	698	702	662	589	650
Total Employee Claims					
Active	\$ 13,999,800	\$11,903,954	\$13,043,628	\$11,714,190	\$11,156,966
Retired	5,868,443	3,557,000	5,811,854	5,219,495	5,524,277
% of Active Payroll					
Active	15.79%	13.47%	15.04%	12.61%	12.32%
Retired	<u>6.62%</u>	<u>4.03%</u>	<u>6.70%</u>	<u>5.62%</u>	<u>6.10%</u>
Total	<u><u>22.41%</u></u>	<u><u>17.50%</u></u>	<u><u>21.74%</u></u>	<u><u>18.23%</u></u>	<u><u>18.42%</u></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, 2012**

**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, 2011, 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, 2012. The City's annual OPEB costs and the net OPEB obligation for the year ended June 30, 2012, on the Statement of Net Assets was as follows:

Employer Normal Cost	\$ 2,850,451
Amortization of UAAL*	<u>4,669,160</u>
Annual Required Contribution (ARC)	7,519,611
Interest on Net Obligation	2,094,750
Adjustment to the ARC	<u>(1,787,978)</u>
Annual OPEB Cost	7,826,383
Contributions made	<u>(5,076,142)</u>
Increase in Net OPEB Obligation	2,750,241
Net OPEB Obligation, July 1, 2011	<u>39,900,000</u>
Net OPEB Obligation June 30, 2012	<u><u>\$ 42,650,241</u></u>

\* Unfunded Actuarial Accrued Liabilities (UAAL) are being 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, 2012, 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
2010	\$16,308,628	49.25%	\$27,855,546
2011	16,520,860	28.20%	39,900,000
2012	7,826,383	64.86%	42,650,241

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

**H. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

***Funded Status and Funding Progress***

Funded status and funding progress of the plan as of July 1, 2011, was as follows:

Present Value of Future Benefits:	
Retirees & Beneficiaries	\$ 48,713,558
Participants Fully Eligible for Benefits	11,235,141
Participants Not Fully Eligible for Benefits	<u>44,246,882</u>
Total Present Value of Future Benefits	<u>\$ 104,195,581</u>
Present Value of Future Normal Costs	<u>\$ 7,355,162</u>
Actuarial Accrued Liabilities (AAL)	\$ 104,195,581
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 104,195,581
Funded Ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	\$ 88,677,595
UAAL as a percentage of covered payroll	117.50%

***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, 2012, 26 years of amortization remain on the UAAL. The actuarial assumptions included 5.25% rate of investment return. The valuation assumes an 8% health care trend inflation rate for 2012 and decreases 0.5% each year until 2017. General inflation is assumed to be 3% per year.

In January 2012, the City modified the design of the Retiree Medical Program. For post-65 retirees, the City of Columbia will provide a defined dollar benefit to retirees to subsidize the cost of medical coverage. For post-65 retirees, a defined dollar benefit will be offered through a Health Reimbursement Arrangement allowing retirees to purchase individual products through an Exchange Program. These Exchange Programs are expected to be available for the pre-65 population starting in 2014, and the City will provide a separate defined dollar benefit amount for retirees under age 65. For 2013, the City will provide the defined dollar benefit for retirees under age 65 towards the purchase of coverage, at full retiree cost, under the medical plan sponsored by the City.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

**H. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

***Actuarial Methods and Assumptions (Continued)***

Beginning January 1, 2013, for post-65 retirees and January 1, 2014, for pre-65 retirees, the program will change as follows:

- The City will make annual contributions to Healthcare Retirement Accounts in each participant's name.
- Participants will elect coverage through an Exchange.
- Any excess funds contributed by the City may be used for other medical expenses, such as deductibles and copays.
- Any necessary additional funds above what is in the Health Reimbursement Arrangement will be supplied by the participants.

**I. LONG-TERM DEBT**

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012	Amount Due in 2013
<b>Governmental Activities</b>					
Notes payable	\$ 5,814,142	\$ -	\$ (195,000)	\$ 5,619,142	\$ 195,000
GO bonds	30,055,000	5,575,000	(4,125,000)	31,505,000	3,630,000
Revenue bonds	52,145,000	14,825,000	(17,485,000)	49,485,000	3,205,000
Unamortized bond premiums	2,505,743	343,785	(1,007,467)	1,842,061	-
Deferred loss on refunding	(589,196)	(1,376,826)	80,658	(1,885,364)	-
Compensated absences	6,583,776	6,193,041	(6,583,776)	6,193,041	1,238,609
Derivative instrument liability	2,763,592	468,098	-	3,231,690	-
Total governmental activities	<u>99,278,057</u>	<u>26,028,098</u>	<u>(29,315,585)</u>	<u>95,990,570</u>	<u>8,268,609</u>
<b>Business-Type Activities</b>					
Revenue bonds	335,465,000	185,320,000	(103,415,000)	417,370,000	7,435,000
Contracts payable	1,936,803	-	(645,601)	1,291,202	645,601
Unamortized bond premiums	10,413,897	21,412,149	(4,552,726)	27,273,320	-
Compensated absences	1,847,823	1,955,430	(1,847,823)	1,955,430	391,105
Deferred loss on refunding	(1,408,917)	(9,012,441)	1,603,318	(8,818,040)	-
Derivative instrument liability	13,368,431	18,126,678	-	31,495,109	-
Total business-type activities	<u>361,623,037</u>	<u>217,801,816</u>	<u>(108,857,832)</u>	<u>470,567,021</u>	<u>8,471,706</u>
Total all long-term debt	<u>\$460,901,094</u>	<u>\$ 243,829,914</u>	<u>\$ (138,173,417)</u>	<u>\$566,557,591</u>	<u>\$ 16,740,315</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$254,954 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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**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, 2012, 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 Bonds	Interest	Revenue Bonds	Interest	Note Payable	Interest	Total Principal	Total Interest
2013	\$ 3,630,000	\$ 969,099	\$ 3,205,000	\$ 1,573,194	\$ 195,000	\$ 8,275	\$ 7,030,000	\$ 2,550,568
2014	3,700,000	889,063	3,330,000	1,481,907	195,000	8,052	7,225,000	2,379,022
2015	3,790,000	780,624	3,450,000	1,357,406	195,000	7,829	7,435,000	2,145,859
2016	3,905,000	669,176	3,575,000	1,247,389	215,000	7,569	7,695,000	1,924,134
2017	2,575,000	561,974	3,760,000	1,107,106	4,144,142	7,569	10,479,142	1,676,649
2018-2022	10,375,000	1,737,136	21,360,000	3,206,006	375,000	-	32,110,000	4,943,142
2023-2027	3,530,000	439,160	7,465,000	425,760	300,000	-	11,295,000	864,920
2028-2032	-	-	3,340,000	52,030	-	-	3,340,000	52,030
	<u>\$ 31,505,000</u>	<u>\$ 6,046,232</u>	<u>\$ 49,485,000</u>	<u>\$ 10,450,798</u>	<u>\$ 5,619,142</u>	<u>\$ 39,294</u>	<u>\$ 86,609,142</u>	<u>\$ 16,536,324</u>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

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

**Business-Type Activities:**

Year Ending June 30,	Revenue Bonds	Interest
2013	\$ 7,435,000	\$ 19,080,557
2014	7,700,000	19,095,590
2015	7,955,000	18,821,546
2016	8,250,000	18,523,480
2017	8,625,000	18,149,620
2018-2022	49,130,000	84,757,753
2023-2027	61,215,000	72,794,143
2028-2032	78,265,000	52,772,630
2033-2037	101,245,000	34,092,109
2038-2041	87,550,000	11,141,474
	<u>\$ 417,370,000</u>	<u>\$ 349,228,902</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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

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

The South Carolina Constitution limits local unit borrowing power to 8% 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, 2012, are as follows:

Governmental Activities:

\$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%	\$ 8,675,000
\$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 Feb. 1, 2021 Interest rate: 2.00 to 3.00%	7,960,000
\$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 Feb. 1, 2022 Interest rate: 2.00 to 3.00%	9,935,000
\$5,575,000	City of Columbia General Obligation Bonds, Series 2011C Proceeds for: Acquisition of capital assets Annual principal installments of \$115,000 to \$975,000 through June 1, 2021 Interest rate: 2.00 to 4.00%	<u>4,935,000</u>
	<i>Total Governmental Activities General Obligation Bonds</i>	<u><u>\$ 31,505,000</u></u>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

The construction of the second of two Innovista garages was funded by the issuance of a \$13,070,000 tax-exempt South Carolina Jobs-Economic Development Authority Revenue Bonds, Series 2007. The Columbia Parking Facilities Parking Corporation, a component unit of the City, is responsible for the payment of the bonds. BB&T, the bond holder, also holds a first mortgage on both garages. Richland County was 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 0.2432% at June 30, 2012. 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 (0.2432%, at June 30, 2012). At June 30, 2012, \$4,569,142 was outstanding on the term loan.

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

***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%.	\$ 1,050,000
\$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 to \$140,000 through March 1, 2017, with balloon payment at maturity	
Interest rate: Adjusted LIBOR rate (0.186%)	
Maximum draw amount: \$5,185,000	4,569,142
<i>Total Governmental Activities Note Payable</i>	<u><u>\$ 5,619,142</u></u>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

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

Revenue bonds outstanding as of June 30, 2012, are as follows:

Governmental Activities:

<p>\$14,825,000 Revenue Bond - Hospitality Fee Pledge          Payable from revenues derived by the City from hospitality taxes          Annual principal installments of \$1,000,000 to \$1,315,000 through Feb. 1, 2025          Interest rate: 2.50%</p>	\$ 14,825,000
<p>\$36,570,000 Certificates of Participation 2003          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: 2.00 to 5.25%</p>	22,820,000
<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>	11,840,000
<i>Total Governmental Activities Revenue Bonds</i>	\$ 49,485,000

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 Dec. 1, 2013          Interest rate: 3.2 to 5.875%</p>	\$ 1,320,000
<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          Annual principal installments of \$1,240,000 to \$3,015,000 through Feb. 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 \$225,000 to \$1,120,000 through Feb. 1, 2017          Interest rate: 4.88 to 5.2%</p>	3,975,000
<i>Total Parking Facilities Revenue Bonds</i>	\$ 45,190,000

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

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

Water and Sewer Fund:

Business-Type Activities:

Water and Sewer Fund:

<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 Feb. 1, 2038          Interest rate: 3.6 to 5.0%          See Note VII for details regarding the interest rate swap related to the 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 Feb. 1, 2040          Interest rate: 3.0 to 5.0%</p>	<p>105,000,000</p>
<p>\$100,000,000 Waterworks and Sewer System Revenue Bonds, Series 2011A          Payable from revenues from the City's water and sewer system          Proceeds for: Cost of improvements to the System          Annual principal installments of \$1,815,000 to \$23,520,000 through Feb. 1, 2041          Interest rate: 2.0 to 5.0%</p>	<p>100,000,000</p>
<p>\$27,265,000 Waterworks and Sewer System Revenue Bonds, Series 2011B          Payable from revenues from the City's water and sewer system          Proceeds for: Refunding portion of Series 2001 (\$30,345,000)          Annual principal installments of \$3,420,000 to \$4,455,000 through Feb. 1, 2019          Interest rate: 4.0 to 5.0%</p>	<p>27,265,000</p>
<p>\$58,055,000 Waterworks and Sewer System Revenue Bonds, Series 2012          Payable from revenues from the City's water and sewer system          Proceeds for: Refunding portion of Series 2005 (\$60,000,000)          Annual principal installments of \$4,560,000 to \$6,115,000 through Feb. 1, 2030          Interest rate: 3.5 to 5.0%</p>	<p><u>58,055,000</u></p>
<p><i>Total Water and Sewer Revenue Bonds</i></p>	<p><u>372,180,000</u></p>
<p><i>Total Business-Type Activities Revenue Bonds</i></p>	<p><u>\$ 417,370,000</u></p>

**Defeasance Debt**

During year ended June 30, 2012, the City defeased a portion of the 2004 Hospitality Fee COPS and the 2005 Waterworks and Sewer System Revenue Bonds and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. On June 30, 2012, Hospitality Fee COPS considered defeased in the current or previous years are approximately \$14,600,000.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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**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, 2012, the balance of this conduit debt was approximately \$3,145,800.

***Refundings***

In December 2011, the City issued \$30,345,000 in fixed rate Water and Sewer Refunding Bonds with interest rates ranging from 4% to 5%. The net proceeds of \$30,861,470, (after payment of \$496,660 in underwriting fees, insurance, and other issue costs) along with funds on hand were used to refund \$30,345,000 of outstanding fixed rate Water and Sewer System Revenue Bonds Series 2001. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$748,314. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2019 using the effective-interest method. The City completed the refunding to reduce its total debt service payments over a period of 7 years by \$4,465,179 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$506,010.

In February 2012, the City issued \$58,055,000 in fixed rate Water and Sewer Refunding Bonds with interest rates ranging from 4% to 5%. The net proceeds of \$68,347,991, (after payment of \$535,042 in underwriting fees, insurance, and other issue costs) along with funds on hand, were used to refund \$60,000,000 of outstanding fixed rate Water and Sewer System Revenue Bonds Series 2005. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$8,264,127. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2030 using the effective-interest method. The City completed the refunding to reduce its total debt service payments over a period of 18 years by \$5,430,326 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,021,150.

In February 2012, the City issued \$14,825,000 in fixed rate Special Obligation Refund Bonds (Hospitality Fee Pledge) Series 2012 (the "Series 2012 Bonds") with an interest rate of 2.5%. The net proceeds of \$14,436,356, (after payment of \$388,644 in underwriting fees, insurance and other issue costs) along with funds on hand, were used to refund \$14,600,000 of outstanding fixed rate Certificates of Participation Bonds Series 2004. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,376,826. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2025 using the effective-interest method. The City completed the refunding to reduce its total debt service payments over a period of 13 years by \$2,784,233 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$412,997.

***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, 2012, the City did not have any arbitrage profits due to the federal government.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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**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. 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 or on its website at [www.retirement.sc.gov](http://www.retirement.sc.gov).

***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 55 or after 25 years of credited service are entitled to an annual full service retirement benefit, payable monthly for life, equal to 2.14 percent of average final compensation times years of credited service.

Member employees who are at least 60 years of age may elect early retirement in which case the full service benefit is reduced by 5 percent for each year the employee's age at retirement is less than 65. Member employees who are at least age 55 with 25 years of service may also elect early retirement in which case the full service retirement benefit is reduced by 4 percent for each year of service under 28. 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, 2011, the employer contribution rate became 9.4% which includes 0.15% towards group life insurance. City contributions to SCRS for the years ended June 30, 2012, 2011, and 2010 were approximately \$4,943,900, \$4,864,100, and \$5,038,300, respectively, equal to the actuarially required contributions for each year. Employees contributed at a rate of 6.5% for the year ended June 30, 2012.

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

Effective July 1, 2011, the employer contribution rate became 11.38% which includes 0.20% towards group life insurance. Contributions to SCPORS for the years ended June 30, 2012, 2011, and 2010 were approximately \$4,227,800, \$4,232,800, and \$3,860,800, respectively, equal to the actuarially required contribution rates for each year. Employees contributed at a rate of 6.5% for the year ended June 30, 2012.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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**V. RECENT ACCOUNTING PRONOUNCEMENTS**

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 will implement the new requirements for the 2013 statements. 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 will implement the new requirements for the 2013 statements. The City is currently evaluating the future effect of this Statement on its financial statements.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, intends to improve financial reporting by clarifying the appropriate use of the financial statement elements "deferred outflows of resources" and "deferred inflows of resources" to ensure consistency in financial reporting. The Statement is effective for financial statements for periods beginning after December 15, 2012. The City will implement the new guidance with the 2014 financial statements. The City is currently evaluating the future effect of this Statement on its financial statements.

GASB Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, intends to improve financial reporting by resolving conflicting guidance in previous pronouncements regarding the accounting and presentation of risk financing activities, operating leases, and certain loan transactions. The Statement is effective for financial statements for periods beginning after December 15, 2012. The City will implement the new guidance with the 2014 financial statements. The City is currently evaluating the future effect of this Statement on its financial statements.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, intends to improve financial reporting for most governments that provide their employees with pension benefits. The Statement is effective for financial statements for periods beginning after June 15, 2014. The City will implement the new guidance with the 2015 financial statements. The City is currently evaluating the future effect of this Statement on its financial statements.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, intends to improve accounting and financial reporting of combinations and disposals of government operations of U.S. state and local governments. The Statement is effective for financial statements for periods beginning after December 15, 2013. The City will implement the new guidance with the 2015 financial statements. The City is currently evaluating the future effect of this Statement on its financial statements.

**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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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**VI. COMMITMENTS AND CONTINGENCIES (Continued)**

**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 and other funds in the 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, 2012, 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, 2012, 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 due 365 days from that date. If needed, these payments will be available for payment to CMRTA.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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**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 bond holders 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, 2012, 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, 2012, the City made variable bond interest payments in the amount of \$83,147 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 \$112,453. The net of variable payments on the bonds and receipts on the swap was \$29,306.

**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 a \$13,070,000 revenue bond payable and \$5,185,000 note payable. The agreements were entered into in February 2008 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 debt to fixed rate debt. The swap agreements mature on March, 1, 2017, and the related debt matures in 2017 and 2031. The notional amounts of the swaps equal the principal amounts of the associated debt and decrease simultaneously with the reduction in the principal amounts of the associated bonds. As of June 30, 2012, the notional amounts were \$11,840,000 and \$4,569,142.

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, 2012, 95% of LIBOR was 0.231% and LIBOR plus 1.50% was 1.743%. The Corporation also makes interest payments to the bondholders at 95% of LIBOR and LIBOR, respectively (0.231% and 0.243% at June 30, 2012) on the outstanding principal amount.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**VII. INTEREST RATE SWAP AGREEMENTS (Continued)**

The obligation of the Corporation to make regularly scheduled payments under the swaps ranks on a parity basis with the Corporation's obligation to make debt service payments on its outstanding bonds. Under certain circumstances, the swaps are subject to termination prior to their respective scheduled expiration dates and prior to the maturity of the bonds to which each such swaps relates, in which event the Corporation may be obligated to make a substantial payment to the respective counterparty ("Termination Payments"). The obligation of the Corporation to make any termination payments under the swaps is junior and subordinate to the obligation to make debt service payments on notes. Under the swaps, the counterparties have certain limited rights to consent to modifications to the master resolution, which modifications would affect the rights of the counterparties under the swaps. To minimize credit or repayment risk, the swap agreements contain varying collateral agreements with the counterparties. The swaps require collateralization of the fair value of the swaps should the counterparty's credit rating fall below the applicable thresholds. During fiscal year 2012, the Corporation made variable interest payments of \$109,309 and the net settlement of variable receiver and fixed payer payments of \$813,801. The market value of the swaps was (\$2,263,520) and (\$968,170) at June 30, 2012, respectively.

In the event that either party to the swap, BB&T or Columbia Parking Facilities Corporation, cannot perform on the agreement, no judgment for any deficiency will be sought or obtained against the City of Columbia. The University of South Carolina is solely responsible for payment if the Corporation cannot perform on the agreements. As such, the City has decided not to implement the provisions of GASB Statement No. 53 for this interest rate swap.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2012 classified by type, and the changes in fair value of such derivatives for the year then ended are as follows:

	Changes in Fair Value		Fair Value at June 30		
	Classification	Amount	Classification	Amount	Notional
Governmental activities					
Cash flow hedges:					
Pay-fixed interest rate swap	Deferred outflow	\$ (319,908)	Debt	\$ 2,263,520	\$ 11,840,000
Pay-fixed interest rate swap	Deferred outflow	\$ (148,190)	Debt	\$ 968,170	\$ 4,569,142
Business-type activity					
Cash flow hedges:					
Pay-fixed interest rate swap	Deferred outflow	\$ (18,126,678)	Debt	\$31,495,109	\$ 81,860,000

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

The following table displays the objectives and terms of the City's hedging derivative instruments outstanding at June 30, along with the credit rating of the associated counterparty:

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating*
Pay-fixed interest rate swap	Hedge of changes in cash flows on the Series 2009 Water and Sewer Revenue Bonds	\$81,860,000	9/15/2009	2/1/2038	Receive monthly average SIFMA rate and pay fixed rate of 4.354%	Aa1 / A+ / AA-
Pay-fixed interest rate swap	Hedge of changes in cash flows on the Series 2007 JEDA Revenue Bonds	\$11,840,000	2/23/2007	3/1/2017	Receive 95% of one month LIBOR and pay fixed rate of 5.085%	A2 / A- / A+
Pay-fixed interest rate swap	Hedge of changes in cash flows on the Inovista construction note payable	\$ 4,569,142	3/1/2007	3/1/2017	Receive 95% of one month LIBOR plus 1.5% and pay fixed rate of 6.815%	A2 / A- / A+

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

***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, 2012, have been used for all future periods. These amounts assume the current interest rates on variable-rate bonds will remain the same for their terms. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

<b>Waterworks and Sewer Bonds</b>				
Series 2009 (Swap One)				
Year Ended	Variable Rate Bonds		Hedging	
June 30,	Principal	Interest	Derivatives, Net	Total
2013	\$ -	\$ -	\$ 3,534,878	\$ 3,534,878
2014	-	-	3,534,878	3,534,878
2015	-	-	3,534,878	3,534,878
2016	-	-	3,534,878	3,534,878
2017	-	-	3,534,878	3,534,878
2018-2022	525,000	-	17,674,392	18,199,392
2023-2027	2,940,000	-	17,313,391	20,253,391
2028-2032	19,890,000	-	16,127,613	36,017,613
2033-2037	47,665,000	-	8,693,832	56,358,832
2038	10,840,000	-	468,093	11,308,093
	<u>\$ 81,860,000</u>	<u>\$ -</u>	<u>\$ 77,951,711</u>	<u>\$ 159,811,711</u>

<b>Parking Facilities Corporation</b>				
South Carolina JEDA Bond 2007 (Swap Two)				
Year Ended	Variable Rate Bonds		Hedging	
June 30,	Principal	Interest	Derivatives, Net	Total
2013	\$ 380,000	\$ 27,333	\$ 574,731	\$ 982,064
2014	420,000	26,455	556,286	1,002,741
2015	420,000	25,486	535,898	981,384
2016	440,000	24,516	515,511	980,027
2017	480,000	23,501	494,152	997,653
2018-2022	2,740,000	99,820	2,098,934	4,938,754
2023-2027	3,620,000	64,684	1,360,133	5,044,817
2028-2031	3,340,000	18,930	398,040	3,756,970
	<u>\$ 11,840,000</u>	<u>\$ 310,725</u>	<u>\$ 6,533,685</u>	<u>\$ 18,684,410</u>

<b>Parking Facilities Corporation</b>				
Innovista Note Payable (Swap Three)				
Year Ended	Variable Rate Bonds		Hedging	
June 30,	Principal	Interest	Derivatives, Net	Total
2013	\$ 120,000	\$ 11,103	\$ 231,747	\$ 362,850
2014	120,000	10,811	225,660	356,471
2015	120,000	10,520	219,574	350,094
2016	140,000	10,228	213,488	363,716
2017	4,069,142	9,888	206,387	4,285,417
	<u>\$ 4,569,142</u>	<u>\$ 52,550</u>	<u>\$ 1,096,856</u>	<u>\$ 5,718,548</u>

**Risks**

*Credit Risk* – Credit risk is the risk that the counterparty will not fulfill its obligations. As of June 30, 2012, 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 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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

*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, 2012, the interest rate on the City's hedged variable-rate debt was 0.06%, while the SIFMA swap index rate was 0.18%.

*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 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 does 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**

Pursuant to a Resolution adopted by the Board of Directors of the Columbia Public Facilities Corporation on July 30, 2012, and the Trust Agreement, as supplemented by a Supplemental Trust Agreement No. 1 dated August 9, 2012, between the Corporation and the Trustee, the Corporation has issued its \$24,260,000 original principal amount Refunding Certificates of Participation Evidencing Undivided Proportionate Interests in Base Fee Payments Under an Installment Sale Agreement (Tourism Development Fee Pledge), Series 2012, dated August 9, 2012, a portion of the proceeds of which will be deposited with the Escrow Agent in order to pay at maturity on June 1, 2013, a portion of the 2003 Certificates and to refund in advance of maturity the remaining portion of the 2003 Certificates maturing on June 1 in the years 2014 to and including 2022. Of the original issue of \$36,570,000 principal amount, \$22,820,000 was outstanding and refunded with the new issue proceeds.

On November 7, 2012, the City issued \$6,375,000 in general obligation bonds, Series 2012. The bonds are binding general obligations of the City and the full faith, credit and taxing power of the City are pledged for the payment of the bonds. The bonds were issued to defray the cost of the purchase of new cars, trucks, and other vehicles and equipment for the police, fire, public works and parks departments of the City, and the purchase and installation of certain other assets.

**REQUIRED SUPPLEMENTARY INFORMATION**

## 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, 2012**  
**(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						
7/1/2011	\$ -	\$ 104,195,581	\$ 104,195,581	0%	\$ 88,677,595	117.50%
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%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30	Annual Required Contribution	Annual Contribution	Net OPEB Liability	Percent Contributed
Primary Government				
2012	\$ 7,519,611	\$ 5,076,142	\$ 42,650,241	67.51%
2011	16,520,860	4,658,376	39,900,000	28.20%
2010	15,431,034	5,169,167	27,855,546	33.50%

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

**For the Year Ended June 30, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES:</b>				
General property taxes	\$ 49,655,083	\$ 49,655,083	\$ 50,496,237	\$ 841,154
Admission taxes	-	-	73,462	73,462
License and permits	27,107,600	27,107,600	28,329,064	1,221,464
Intergovernmental revenue	11,221,481	11,221,481	12,974,392	1,752,911
Charges for services	9,045,837	9,088,808	6,892,248	(2,196,560)
Fines and forfeitures	995,700	995,700	1,000,956	5,256
Revenues from use of money and property	75,000	75,000	479,175	404,175
Other revenues	104,050	105,944	290,854	184,910
<b>Total revenues</b>	<b>98,204,751</b>	<b>98,249,616</b>	<b>100,536,388</b>	<b>2,286,772</b>
<b>EXPENDITURES:</b>				
General government	6,583,562	6,421,697	6,073,363	348,334
Judicial	2,520,070	2,520,105	2,387,018	133,087
Finance department	2,056,632	2,418,173	2,339,192	78,981
Development services and planning	4,125,463	4,125,463	3,993,532	131,931
Public safety	51,665,927	54,161,657	54,737,918	(576,261)
Parks and recreation	9,275,097	9,401,805	9,472,671	(70,866)
Public works	17,633,039	19,154,349	17,849,377	1,304,972
General services	4,599,896	4,511,812	4,162,762	349,050
Community promotion	-	160,000	226,750	(66,750)
Nondepartmental	3,090,000	3,090,000	5,362,406	(2,272,406)
<b>Total expenditures</b>	<b>101,549,686</b>	<b>105,965,061</b>	<b>106,604,989</b>	<b>(639,928)</b>
<b>Excess (deficiency of revenues over (under) expenditures</b>	<b>(3,344,935)</b>	<b>(7,715,445)</b>	<b>(6,068,601)</b>	<b>2,926,700</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	16,896,503	16,952,647	15,758,725	(1,193,922)
Transfers (out)	(13,651,568)	(9,169,694)	(8,883,225)	(286,469)
Sale of capital assets	100,000	100,000	170,409	70,409
Payments to refunding bond agent	-	-	(14,436,356)	(14,436,356)
Proceeds from issuance of bonds	-	-	14,825,000	14,825,000
<b>Total other financing sources (uses)</b>	<b>3,344,935</b>	<b>7,882,953</b>	<b>7,434,553</b>	<b>(1,021,338)</b>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses</b>	<b>-</b>	<b>167,508</b>	<b>1,365,952</b>	<b>1,905,362</b>
<b>Fund balance - beginning</b>	<b>15,452,816</b>	<b>15,452,816</b>	<b>14,077,115</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 15,452,816</b>	<b>\$ 15,620,324</b>	<b>\$ 15,443,067</b>	<b>\$ 1,905,362</b>

See accompanying Notes to Budgetary Comparison Schedule.

**CITY OF COLUMBIA, SOUTH CAROLINA  
NOTES TO BUDGETARY COMPARISON SCHEDULE (UNAUDITED)  
YEAR ENDED JUNE 30, 2012**

**Budget 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, 2012**

	Original Adopted Budget	Final Budget Amendments	Revised Budget
General Fund	\$ 115,201,254	\$ (66,499)	\$ 115,134,755

**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, 2012

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
General property taxes				
General property taxes - current	\$ 45,293,947	\$ 45,293,947	\$ 46,078,670	\$ 784,723
Real estate tax - Lexington County - current	2,552,039	2,552,039	2,486,282	(65,757)
Real estate tax - Lexington County - prior	-	-	40,767	40,767
Personal tax - Lexington County - current	-	-	32,036	32,036
Homestead exemption	1,050,000	1,050,000	1,044,530	(5,470)
Payment in lieu of taxes	56,145	56,145	56,267	122
Merchants inventory tax	702,952	702,952	757,685	54,733
<b>Total general property taxes</b>	<b>49,655,083</b>	<b>49,655,083</b>	<b>50,496,237</b>	<b>841,154</b>
Admission taxes	-	-	73,462	73,462
License and permits				
Business license	7,600,000	7,600,000	8,601,656	1,001,656
Business license - Telecommunications	1,100,000	1,100,000	948,097	(151,903)
Business license - Insurance	9,450,000	9,450,000	9,645,754	195,754
Delinquent business license	1,030,000	1,030,000	238,301	(791,699)
Business license franchise fees	6,900,000	6,900,000	7,452,699	552,699
Franchise fees - vendors	1,200	1,200	-	(1,200)
Business license sales tax audit	9,000	9,000	-	(9,000)
Audited license fees	-	-	1,668	1,668
Arts and craft permits	2,100	2,100	1,240	(860)
New business list sales	-	-	331	331
Business license ordinance sales	-	-	1,256	1,256
Business license contractor's decals	24,000	24,000	26,925	2,925
Group event license/permit	7,000	7,000	8,183	1,183
Building permits	567,000	567,000	871,192	304,192
Electrical permits	146,000	146,000	148,122	2,122
Plumbing permits	37,000	37,000	44,980	7,980
Gas permits	10,000	10,000	6,764	(3,236)
Sign permits	11,500	11,500	15,009	3,509
Heat permits	57,000	57,000	123,993	66,993
Zoning permits	42,500	42,500	56,038	13,538
Dog license	30,000	30,000	35,844	5,844
Chauffeur license	-	-	4,690	4,690
Other miscellaneous - business	81,000	81,000	94,705	13,705
Other miscellaneous - non-business	2,300	2,300	1,617	(683)
<b>Total license and permits</b>	<b>27,107,600</b>	<b>27,107,600</b>	<b>28,329,064</b>	<b>1,221,464</b>
Intergovernmental revenues				
State shared	2,346,008	2,346,008	2,363,791	17,783
School resource officer services	186,565	186,565	192,242	5,677
SC Motor fuel tax reimbursement	-	-	3,436	3,436
County sources	-	-	1,142,872	1,142,872
Highway signal maintenance	288,908	288,908	288,908	-
Fire rebate - Richland County	8,400,000	8,400,000	8,983,143	583,143
<b>Total intergovernmental revenues</b>	<b>11,221,481</b>	<b>11,221,481</b>	<b>12,974,392</b>	<b>1,752,911</b>

(Continued)

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance
<b>Charges for services</b>				
Trade publication renewals	\$ 7,400	\$ 7,400	\$ 8,695	\$ 1,295.00
Support services	2,270,000	2,270,000	810	(2,269,190)
Return check service charges	-	-	1,755	1,755
Regulation code books	75	75	-	(75)
Duplicated business licenses	350	350	395	45
Compost sales	5,000	5,000	4,771	(229)
Recycling sales	85,000	85,000	130,889	45,889
Solid waste disposal fees	15,000	15,000	14,930	(70)
Commercial bulk container collection	-	-	2,459	2,459
Commercial bulk container disposal	-	-	2,083	2,083
Commercial roll cart disposal	59,000	59,000	48,307	(10,693)
Eleemosynary roll cart collection	30,000	30,000	26,423	(3,577)
Eleemosynary roll cart disposal	7,500	7,500	7,324	(176)
Eleemosynary homeowner collection	10,032	10,032	7,433	(2,599)
Eleemosynary homeowner disposal	2,500	2,500	1,842	(658)
Six night service disposal	20,000	20,000	18,201	(1,799)
Tree and forestry lot clearance fees	-	-	90,209	90,209
Animal shelter fees - Richland County	325,000	325,000	231,647	(93,353)
Animal shelter fees	175,000	175,000	168,656	(6,344)
Employee animal clinic fees	1,000	1,000	510	(490)
Hydrant fees	5,475,000	5,475,000	5,508,930	33,930
Police accident report copies	30,000	30,000	34,821	4,821
Reimbursement police services	550	43,521	64,346	20,825
False fire alarm charges	20,000	20,000	18,900	(1,100)
Maxcy Gregg admission fees	25,000	25,000	10,123	(14,877)
Drew Park admission fees	300,000	300,000	278,769	(21,231)
Greenview pool admission fees	15,000	15,000	11,871	(3,129)
Recreation athletics	45,800	45,800	46,795	995
Tennis court fees	55,500	55,500	43,297	(12,203)
Other parks/recreation fees	50,000	50,000	64,943	14,943
Ticket rebate - Capital City Ball Park	12,000	12,000	12,000	-
Finlay Park ground reservation	4,130	4,130	30,114	25,984
<b>Total charges for services</b>	<b>9,045,837</b>	<b>9,088,808</b>	<b>6,892,248</b>	<b>(2,196,560)</b>
<b>Fines and forfeitures</b>				
Criminal court fines	175,000	175,000	197,817	22,817
Traffic court fines	780,000	780,000	750,465	(29,535)
Bond forfeiture from county courts	-	-	2,627	2,627
Late fees	6,700	6,700	18,961	12,261
Uniform ordinance inspections	5,000	5,000	5,197	197
Uniform ordinance animal control	8,000	8,000	2,016	(5,984)
Uniform ordinance business license	10,000	10,000	9,199	(801)
Uniform ordinance fire department	11,000	11,000	13,143	2,143
Uniform ordinance environmental health	-	-	1,061	1,061
Uniform ordinance zoning	-	-	470	470
<b>Total fines and forfeitures</b>	<b>995,700</b>	<b>995,700</b>	<b>1,000,956</b>	<b>5,256</b>

(Continued)

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

For the Year Ended June 30, 2012

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues from use of money and property				
Interest on investments general	\$ 75,000	\$ 75,000	\$ 484,202	\$ 409,202
Interest gain (loss) cost/market	-	-	(5,027)	(5,027)
<b>Total revenues from use of money and property</b>	<u>75,000</u>	<u>75,000</u>	<u>479,175</u>	<u>404,175</u>
Other revenues				
Miscellaneous revenue	22,700	24,594	189,846	165,252
Reimbursement property damage	1,050	1,050	-	(1,050)
Collection agency	1,250	1,250	-	(1,250)
Rents and royalties	79,050	79,050	101,008	21,958
<b>Total other revenues</b>	<u>104,050</u>	<u>105,944</u>	<u>290,854</u>	<u>184,910</u>
<b>TOTAL REVENUES</b>	<u>98,204,751</u>	<u>98,249,616</u>	<u>100,536,388</u>	<u>2,286,772</u>
<b>OTHER FINANCING SOURCES</b>				
Sale of capital assets	100,000	100,000	170,409	70,409
Bond proceeds	-	-	14,825,000	14,825,000
Transfers from				
Water and sewer operating fund	4,500,000	4,500,000	6,770,000	2,270,000
Parking operating fund	1,000,000	1,000,000	-	(1,000,000)
Hospitality fund	1,000,000	1,000,000	1,000,000	-
Accommodations fund	25,000	25,000	58,750	33,750
Other funds	8,371,503	8,371,503	7,929,975	(441,528)
Unappropriated surplus transfer	2,000,000	2,056,144	-	(2,056,144)
<b>Total transfers</b>	<u>16,896,503</u>	<u>16,952,647</u>	<u>15,758,725</u>	<u>(1,193,922)</u>
<b>Total other financing sources</b>	<u>16,996,503</u>	<u>17,052,647</u>	<u>30,754,134</u>	<u>13,701,487</u>
<b>Total revenues and other financing sources</b>	<u>\$ 115,201,254</u>	<u>\$ 115,302,263</u>	<u>\$ 131,290,522</u>	<u>\$ 15,988,259</u>

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

For the Year Ended June 30, 2012

<b>EXPENDITURES</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>General government</b>				
Legislative				
Personnel services	\$ 368,876	\$ 368,876	\$ 417,205	\$ (48,329)
Supplies	21,936	20,798	17,672	3,126
Other services and charges	195,816	201,476	135,144	66,332
Total legislative	<u>586,628</u>	<u>591,150</u>	<u>570,021</u>	<u>21,129</u>
Executive/Administration				
Personnel services	660,545	660,545	694,925	(34,380)
Supplies	32,450	32,450	18,558	13,892
Other services and charges	264,016	114,016	43,407	70,609
Total executive/administration	<u>957,011</u>	<u>807,011</u>	<u>756,890</u>	<u>50,121</u>
Governmental Affairs				
Personnel services	222,089	222,089	320,200	(98,111)
Supplies	16,900	18,794	17,865	929
Other services and charges	191,162	191,162	183,420	7,742
Total governmental affairs	<u>430,151</u>	<u>432,045</u>	<u>521,485</u>	<u>(89,440)</u>
Senior Assistant City Manager				
Personnel services	238,926	238,926	252,715	(13,789)
Supplies	6,655	2,494	1,756	738
Other services and charges	20,409	16,620	11,582	5,038
Total senior assistant city manager	<u>265,990</u>	<u>258,040</u>	<u>266,053</u>	<u>(8,013)</u>
Assistant City Manager for Operations				
Personnel services	99,462	99,462	79,039	20,423
Supplies	6,700	6,700	5,275	1,425
Other services and charges	5,800	5,800	229	5,571
Total assistant city manager for administrative services	<u>111,962</u>	<u>111,962</u>	<u>84,543</u>	<u>27,419</u>
Citizen's Support Services				
Personnel services	416,463	370,463	362,972	7,491
Supplies	15,780	13,943	12,658	1,285
Other services and charges	18,236	66,073	64,230	1,843
Total citizen's support services	<u>450,479</u>	<u>450,479</u>	<u>439,860</u>	<u>10,619</u>

(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, 2012

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
Office of Business Opportunities				
Personnel services	\$ 498,436	\$ 477,655	\$ 462,933	\$ 14,722
Supplies	10,550	10,550	15,953	(5,403)
Other services and charges	55,881	55,881	58,091	(2,210)
Total business enterprise office	<u>564,867</u>	<u>544,086</u>	<u>536,977</u>	<u>7,109</u>
Human Resources and Training				
Personnel services	724,549	724,549	729,783	(5,234)
Supplies	38,437	37,437	39,167	(1,730)
Other services and charges	31,153	36,903	22,914	13,989
Total human resources and training	<u>794,139</u>	<u>798,889</u>	<u>791,864</u>	<u>7,025</u>
Legal				
Personnel services	931,719	935,719	983,155	(47,436)
Supplies	60,412	58,412	37,183	21,229
Other services and charges	958,440	956,440	648,690	307,750
Total legal	<u>1,950,571</u>	<u>1,950,571</u>	<u>1,669,028</u>	<u>281,543</u>
Public Information				
Personnel services	380,292	380,292	370,868	9,424
Supplies	50,603	52,603	41,380	11,223
Other services and charges	40,869	44,569	24,394	20,175
Total public information	<u>471,764</u>	<u>477,464</u>	<u>436,642</u>	<u>40,822</u>
<b>Total General Government</b>	<u>6,583,562</u>	<u>6,421,697</u>	<u>6,073,363</u>	<u>348,334</u>
<b>Judicial</b>				
Municipal Court				
Personnel services	2,194,289	2,194,289	2,199,689	(5,400)
Supplies	73,906	89,476	65,062	24,414
Other services and charges	251,875	236,340	122,267	114,073
Total municipal court	<u>2,520,070</u>	<u>2,520,105</u>	<u>2,387,018</u>	<u>133,087</u>
<b>Total Judicial</b>	<u>2,520,070</u>	<u>2,520,105</u>	<u>2,387,018</u>	<u>133,087</u>
<b>Finance Department</b>				
Administration				
Personnel services	138,094	138,094	141,912	(3,818)
Supplies	5,000	5,000	2,628	2,372
Other services and charges	75,816	75,816	63,687	12,129
Total administration	<u>218,910</u>	<u>218,910</u>	<u>208,227</u>	<u>10,683</u>

(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, 2012

	Original Budget	Final Budget	Actual	Variance
Accounting				
Personnel services	\$ 761,396	\$ 761,396	\$ 757,126	\$ 4,270
Supplies	25,092	25,092	18,289	6,803
Other services and charges	115,533	115,533	113,818	1,715
Total accounting	<u>902,021</u>	<u>902,021</u>	<u>889,233</u>	<u>12,788</u>
Business License				
Personnel services	585,125	585,125	600,232	(15,107)
Supplies	25,900	25,900	15,276	10,624
Other services and charges	74,935	78,095	38,546	39,549
Capital outlay	-	358,381	360,765	(2,384)
Total business license	<u>685,960</u>	<u>1,047,501</u>	<u>1,014,819</u>	<u>32,682</u>
Treasury				
Personnel services	166,760	166,760	174,660	(7,900)
Supplies	3,353	3,353	125	3,228
Other services and charges	79,628	79,628	52,128	27,500
Total treasury	<u>249,741</u>	<u>249,741</u>	<u>226,913</u>	<u>22,828</u>
<b>Total Finance Department</b>	<u>2,056,632</u>	<u>2,418,173</u>	<u>2,339,192</u>	<u>78,981</u>
<b>Development Services and Planning</b>				
Development Services				
Personnel services	3,659,120	3,659,120	3,581,164	77,956
Supplies	192,545	192,545	145,276	47,269
Other services and charges	226,052	219,752	213,422	6,330
Capital outlay	47,746	54,046	53,670	376
Total development services	<u>4,125,463</u>	<u>4,125,463</u>	<u>3,993,532</u>	<u>131,931</u>
<b>Total Development Services     and Planning</b>	<u>4,125,463</u>	<u>4,125,463</u>	<u>3,993,532</u>	<u>131,931</u>
<b>Public Safety</b>				
<b>Police Department</b>				
Administrative Services				
Personnel services	2,525,800	2,525,800	2,859,185	(333,385)
Supplies	606,802	606,802	576,444	30,358
Other services and charges	1,020,236	1,020,236	833,963	186,273
Total administrative services	<u>4,152,838</u>	<u>4,152,838</u>	<u>4,269,592</u>	<u>(116,754)</u>
Operations				
Personnel services	16,966,439	16,966,439	16,229,153	737,286
Supplies	736,822	950,681	1,128,741	(178,060)
Other services and charges	815,821	815,821	894,630	(78,809)
Capital outlay	17,750	898,544	865,407	33,137
Total operations	<u>18,536,832</u>	<u>19,631,485</u>	<u>19,117,931</u>	<u>513,554</u>

(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, 2012

	Original Budget	Final Budget	Actual	Variance
<b>Parks and Recreation</b>				
Recreation				
Personnel services	\$ 3,128,434	\$ 3,128,434	\$ 3,133,078	\$ (4,644)
Supplies	50,041	45,036	47,734	(2,698)
Other services and charges	207,731	313,554	275,109	38,445
Capital outlay	-	11,099	30,475	(19,376)
Special events	-	-	22,832	(22,832)
	<u>3,386,206</u>	<u>3,498,123</u>	<u>3,509,228</u>	<u>(11,105)</u>
Parks				
Personnel services	4,474,687	4,465,468	4,380,053	85,415
Supplies	207,115	213,983	248,877	(34,894)
Other services and charges	894,322	828,792	952,021	(123,229)
Capital outlay	-	80,272	93,027	(12,755)
	<u>5,576,124</u>	<u>5,588,515</u>	<u>5,673,978</u>	<u>(85,463)</u>
Swimming Pools				
Personnel services	126,628	126,628	124,108	2,520
Supplies	2,087	1,717	882	835
Other services and charges	600	970	1,574	(604)
	<u>129,315</u>	<u>129,315</u>	<u>126,564</u>	<u>2,751</u>
Tennis Courts				
Personnel services	182,452	182,452	160,052	22,400
Supplies	1,000	3,400	2,357	1,043
Other services and charges	-	-	492	(492)
	<u>183,452</u>	<u>185,852</u>	<u>162,901</u>	<u>22,951</u>
	<u>9,275,097</u>	<u>9,401,805</u>	<u>9,472,671</u>	<u>(70,866)</u>
<b>Total Parks and Recreation</b>				
<b>Public Works</b>				
Administration				
Personnel services	342,621	342,621	278,368	64,253
Supplies	27,650	32,350	24,413	7,937
Other services and charges	108,650	120,110	113,460	6,650
	<u>478,921</u>	<u>495,081</u>	<u>416,241</u>	<u>78,840</u>
Solid Waste				
Personnel services	4,405,084	4,405,084	4,393,270	11,814
Supplies	1,331,396	1,356,828	965,826	391,002
Other services and charges	2,359,181	2,295,134	2,021,837	273,297
Capital outlay	15,000	1,417,340	1,402,063	15,277
	<u>8,110,661</u>	<u>9,474,386</u>	<u>8,782,996</u>	<u>691,390</u>

(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, 2012

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
Streets and Storm Drains				
Personnel services	\$ 1,648,866	\$ 1,648,866	\$ 1,534,485	\$ 114,381
Supplies	240,110	249,210	208,853	40,357
Other services and charges	111,120	111,308	92,780	18,528
Capital outlay	30,000	156,038	163,587	(7,549)
Total streets and storm drains	<u>2,030,096</u>	<u>2,165,422</u>	<u>1,999,705</u>	<u>165,717</u>
Animal Control				
Personnel services	1,014,468	1,014,468	1,063,530	(49,062)
Supplies	174,265	175,195	139,538	35,657
Other services and charges	132,770	134,340	96,385	37,955
Capital outlay	17,332	17,332	-	17,332
Total animal control	<u>1,338,835</u>	<u>1,341,335</u>	<u>1,299,453</u>	<u>41,882</u>
Forestry and Beautification				
Personnel services	1,727,962	1,727,962	1,421,144	306,818
Supplies	239,782	241,381	172,628	68,753
Other services and charges	251,425	253,425	246,784	6,641
Capital outlay	8,500	8,500	8,024	476
Total forestry and beautification	<u>2,227,669</u>	<u>2,231,268</u>	<u>1,848,580</u>	<u>382,688</u>
Traffic Engineering				
Personnel services	1,301,633	1,301,633	1,352,027	(50,394)
Supplies	198,273	204,688	172,332	32,356
Other services and charges	1,933,351	1,931,801	1,978,059	(46,258)
Capital outlay	13,600	8,735	(16)	8,751
Total traffic engineering	<u>3,446,857</u>	<u>3,446,857</u>	<u>3,502,402</u>	<u>(55,545)</u>
<b>Total Public Works</b>	<u>17,633,039</u>	<u>19,154,349</u>	<u>17,849,377</u>	<u>1,304,972</u>
<b>General Services</b>				
Information Technology				
Personnel services	1,688,792	1,673,707	1,670,121	3,586
Supplies	133,920	105,636	64,738	40,898
Other services and charges	1,051,573	1,106,858	920,889	185,969
Capital outlay	67,874	57,874	25,503	32,371
Total information technology	<u>2,942,159</u>	<u>2,944,075</u>	<u>2,681,251</u>	<u>262,824</u>
Support Services				
Personnel services	466,617	466,617	462,059	4,558
Supplies	59,715	59,715	51,698	8,017
Other services and charges	1,081,405	1,001,405	940,070	61,335
Capital outlay	50,000	40,000	27,684	12,316
Total public buildings	<u>1,657,737</u>	<u>1,567,737</u>	<u>1,481,511</u>	<u>86,226</u>
<b>Total General Services</b>	<u>4,599,896</u>	<u>4,511,812</u>	<u>4,162,762</u>	<u>349,050</u>

(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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Community Promotion</b>				
Other services and charges	\$ -	\$ (25,000)	\$ -	\$ (25,000)
Community promotion	-	185,000	226,750	(41,750)
<b>Total Community Promotion</b>	<u>-</u>	<u>160,000</u>	<u>226,750</u>	<u>(66,750)</u>
<b>Nondepartmental</b>				
Contingencies				
Other services and charges	1,585,000	1,585,000	547,015	1,037,985
Total contingencies	<u>1,585,000</u>	<u>1,585,000</u>	<u>547,015</u>	<u>1,037,985</u>
Administration				
Other services and charges	505,000	505,000	502,252	2,748
Total administration	<u>505,000</u>	<u>505,000</u>	<u>502,252</u>	<u>2,748</u>
Homeless Services				
Other services and charges	1,000,000	1,000,000	1,336,207	(336,207)
Total bank service charges	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,336,207</u>	<u>(336,207)</u>
Debt Service				
Principal payments on debt	-	-	480,000	(480,000)
Interest payments on debt	-	-	953,112	(953,112)
Other services and charges	-	-	1,543,820	(1,543,820)
Total debt service	<u>-</u>	<u>-</u>	<u>2,976,932</u>	<u>(2,976,932)</u>
<b>Total Nondepartmental</b>	<u>3,090,000</u>	<u>3,090,000</u>	<u>5,362,406</u>	<u>(2,272,406)</u>
<b>TOTAL EXPENDITURES</b>	<u>101,549,686</u>	<u>105,965,061</u>	<u>106,604,989</u>	<u>(573,178)</u>
<b>OTHER FINANCING USES</b>				
Transfers to Other Funds				
Debt service	5,419,343	5,419,343	5,419,343	-
Transfers interfund	8,232,225	3,750,351	3,463,882	286,469
<b>Total Transfers to Other Funds</b>	<u>13,651,568</u>	<u>9,169,694</u>	<u>8,883,225</u>	<u>286,469</u>
Payments to Refunding Bond Agent				
Debt service	-	-	14,436,356	(14,436,356)
<b>Total Payments to Refunding Bond Agent</b>	<u>-</u>	<u>-</u>	<u>14,436,356</u>	<u>(14,436,356)</u>
<b>Total Other Financing Uses</b>	<u>13,651,568</u>	<u>9,169,694</u>	<u>23,319,581</u>	<u>(14,149,887)</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 115,201,254</u>	<u>\$ 115,134,755</u>	<u>\$ 129,924,570</u>	<u>\$ (14,789,815)</u>

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

*Liquor Permit Fee* – accounts for receipts from the sale of temporary permits to allow the possession, sale and consumption of alcoholic liquors for a period not to exceed twenty four hours.

*Business Improvement District* accounts for the Business Improvement District taxes assessed on the business in the downtown area of the City to promote downtown beatification.

*Accommodations Tax* accounts for a 2% State Hotel Accommodations Tax receipts 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.

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

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

*Community Development grants and awards* accounts for the Community Development Block Grants and other community development type grants.

*Federal Grants* accounts for the receipt of Federal grants except for Community Development Block Grants.

*Other Programs* – accounts for miscellaneous programs for park improvements and special events.

*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

**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 earning on the investments of the Debt Service Fund and interest earned on investments of certain Capital Projects Funds are used for the payment of principal, interest, and fiscal agent expenditures on the City's general obligation and revenue bonds.

**Capital Project Funds**

*Congaree Vista 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, 2012

<b>Special Revenue</b>											
	<b>Liquor Permit Fee</b>	<b>Business Improvement District</b>	<b>Accommodations Tax</b>	<b>Confiscated Drug Program</b>	<b>Hospitality Tax</b>	<b>Franchise Fee</b>	<b>Community Development</b>	<b>Federal Grants</b>	<b>Other Programs</b>	<b>Tourism Development Convention Center</b>	<b>Total</b>
<b>ASSETS</b>											
Cash and cash equivalents	\$ 577,041	\$ -	\$ 17,140	\$ 496,647	\$ 1,235,184	\$ 3,818,029	\$ -	\$ 2,907	\$ 426,753	\$ 24	\$ 6,573,725
Investments	-	-	-	127,468	920,571	-	-	-	-	1,789,581	2,837,620
Due from the Federal government	-	-	-	-	-	-	401,169	1,526,120	-	-	1,927,289
Due from State government	208,600	-	579,143	-	-	-	-	-	-	-	787,743
Due from County government	-	-	-	-	-	-	-	-	-	576,207	576,207
Accounts receivable	-	-	-	-	-	-	-	47,842	-	-	47,842
Accrued interest receivable	-	-	-	-	4,858	-	-	-	-	-	4,858
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Prepaid charges	-	-	-	-	-	-	-	11,433	-	-	11,433
<b>TOTAL ASSETS</b>	<b>\$ 785,641</b>	<b>\$ -</b>	<b>\$ 596,283</b>	<b>\$ 624,115</b>	<b>\$ 2,160,613</b>	<b>\$ 3,818,029</b>	<b>\$ 401,169</b>	<b>\$ 1,588,302</b>	<b>\$ 426,753</b>	<b>\$ 2,365,812</b>	<b>\$ 12,766,717</b>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>Liabilities</b>											
Accounts payable	\$ -	\$ -	\$ 250,000	\$ 110,489	\$ 91,572	\$ -	\$ 186,984	\$ 111,405	\$ 20,203	\$ 183	\$ 770,836
Accrued salaries and benefits	-	-	-	-	2,434	-	19,636	23,414	3,447	-	48,931
Retainage payable	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	127,468	-	-	726	8,823	-	-	137,017
Due to other funds	1,000,000	-	-	-	-	-	193,823	1,444,660	-	-	2,638,483
<b>Total liabilities</b>	<b>1,000,000</b>	<b>-</b>	<b>250,000</b>	<b>237,957</b>	<b>94,006</b>	<b>-</b>	<b>401,169</b>	<b>1,588,302</b>	<b>23,650</b>	<b>183</b>	<b>3,595,267</b>
<b>Fund balances</b>											
Nonspendable	-	-	-	-	-	-	-	11,433	-	-	11,433
Restricted	-	-	346,283	386,158	2,066,607	-	-	-	403,103	2,365,629	5,567,780
Assigned	-	-	-	-	-	3,818,029	-	-	-	-	3,818,029
Unassigned	(214,359)	-	-	-	-	-	-	(11,433)	-	-	(225,792)
<b>Total fund balances</b>	<b>(214,359)</b>	<b>-</b>	<b>346,283</b>	<b>386,158</b>	<b>2,066,607</b>	<b>3,818,029</b>	<b>-</b>	<b>-</b>	<b>403,103</b>	<b>2,365,629</b>	<b>9,171,450</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 785,641</b>	<b>\$ -</b>	<b>\$ 596,283</b>	<b>\$ 624,115</b>	<b>\$ 2,160,613</b>	<b>\$ 3,818,029</b>	<b>\$ 401,169</b>	<b>\$ 1,588,302</b>	<b>\$ 426,753</b>	<b>\$ 2,365,812</b>	<b>\$ 12,766,717</b>

(Continued)

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

June 30, 2012

	<b>Capital Projects</b>					<b>Permanent Trust</b>		<b>Total Nonmajor Governmental Funds</b>
	<b>Debt Service Fund</b>	<b>Congaree Vista District</b>	<b>Streetscaping</b>	<b>General Capital Projects</b>	<b>Miscellaneous Projects</b>	<b>Total</b>	<b>Dickson Trust</b>	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 3,357,407	\$ 8,501,730	\$ 8,754,002	\$ 4,732,630	\$ 1,464,718	\$ 23,453,080	\$ -	\$ 33,384,212
Investments	123,926	-	-	-	10,809,421	10,809,421	5,578	13,776,545
Due from the Federal government	-	-	61,421	-	-	61,421	-	1,988,710
Due from State government	-	-	-	47,494	-	47,494	-	835,237
Due from County government	-	-	-	-	49,495	49,495	-	625,702
Accounts receivable	-	-	-	-	-	-	-	47,842
Accrued interest receivable	-	-	-	-	-	-	-	4,858
Due from other funds	-	-	-	1,238,492	1,226,603	2,465,095	-	2,465,095
Prepaid charges	-	-	-	-	-	-	-	11,433
<b>TOTAL ASSETS</b>	<b>\$ 3,481,333</b>	<b>\$ 8,501,730</b>	<b>\$ 8,815,423</b>	<b>\$ 6,018,616</b>	<b>\$ 13,550,237</b>	<b>\$ 36,886,006</b>	<b>\$ 5,578</b>	<b>\$ 53,139,634</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable	\$ 1,000	\$ 234,624	\$ 236,977	\$ 402,152	\$ 6,449	\$ 880,202	\$ -	\$ 1,652,038
Accrued salaries and benefits	-	-	-	-	-	-	-	48,931
Retainage payable	-	139,541	31,298	226,805	-	397,644	-	397,644
Deferred revenue	-	-	10,000	-	-	10,000	-	147,017
Due to other funds	-	-	-	-	3,969,691	3,969,691	-	6,608,174
Total liabilities	1,000	374,165	278,275	628,957	3,976,140	5,257,537	-	8,853,804
<b>Fund balances</b>								
Nonspendable	-	-	-	-	-	-	5,000	16,433
Restricted	3,480,333	8,127,565	-	-	9,574,097	17,701,662	578	26,750,353
Assigned	-	-	8,537,148	5,389,659	-	13,926,807	-	17,744,836
Unassigned	-	-	-	-	-	-	-	(225,792)
Total fund balances	3,480,333	8,127,565	8,537,148	5,389,659	9,574,097	31,628,469	5,578	44,285,830
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,481,333</b>	<b>\$ 8,501,730</b>	<b>\$ 8,815,423</b>	<b>\$ 6,018,616</b>	<b>\$ 13,550,237</b>	<b>\$ 36,886,006</b>	<b>\$ 5,578</b>	<b>\$ 53,139,634</b>

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

Year Ended June 30, 2012

	Special Revenue										
	Liquor Permit Fee	Business Improvement District	Accommodations Tax	Confiscated Drug Program	Hospitality Tax	Franchise Fee	Community Development	Federal Grants	Other Programs	Tourism Development Convention Center	Total
<b>REVENUES</b>											
Federal government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,411,932	\$ 3,216,299	\$ -	\$ -	\$ 6,628,231
State government	320,617	-	-	-	-	-	-	-	85,563	-	406,180
County government	-	721,425	-	-	-	-	-	-	-	4,951,398	5,672,823
Promotions	-	-	-	-	-	-	-	-	392,947	-	392,947
Charges for services	-	-	-	-	-	-	-	-	22,279	-	22,279
Fines and forfeitures	-	-	-	-	-	-	-	-	138,253	-	138,253
Confiscated funds	-	-	-	403,311	-	-	-	-	-	-	403,311
Sales and hospitality taxes	-	-	1,599,742	-	8,789,470	3,753,644	-	-	-	-	14,142,856
Interest income	-	-	-	1,443	19,325	-	-	-	-	217	20,985
Other revenue	-	-	-	-	-	-	-	407,940	-	-	407,940
<b>Total revenues</b>	<b>320,617</b>	<b>721,425</b>	<b>1,599,742</b>	<b>404,754</b>	<b>8,808,795</b>	<b>3,753,644</b>	<b>3,411,932</b>	<b>3,624,239</b>	<b>639,042</b>	<b>4,951,615</b>	<b>28,235,805</b>
<b>EXPENDITURES</b>											
Current											
General government	-	-	1,311	-	-	-	-	147,528	-	-	148,839
Public safety	-	-	-	720,062	342,667	-	-	2,565,508	242,637	-	3,870,874
Public services	-	-	-	-	-	3,799,994	-	499,162	-	-	4,299,156
Community promotion	1,000,000	721,425	1,362,022	-	4,726,271	-	2,406,317	-	205,087	1,827,488	12,248,610
Debt Service											
Principal	-	-	-	-	-	-	-	-	-	1,735,000	1,735,000
Interest and other charges	-	-	-	-	-	-	-	-	-	1,209,125	1,209,125
Capital Outlay											
Capital outlay	-	-	-	-	-	-	-	448,391	-	12,829	461,220
<b>Total expenditures</b>	<b>1,000,000</b>	<b>721,425</b>	<b>1,363,333</b>	<b>720,062</b>	<b>5,068,938</b>	<b>3,799,994</b>	<b>2,406,317</b>	<b>3,660,589</b>	<b>447,724</b>	<b>4,784,442</b>	<b>23,972,824</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(679,383)</b>	<b>-</b>	<b>236,409</b>	<b>(315,308)</b>	<b>3,739,857</b>	<b>(46,350)</b>	<b>1,005,615</b>	<b>(36,350)</b>	<b>191,318</b>	<b>167,173</b>	<b>4,262,981</b>
<b>OTHER FINANCING SOURCES (USES)</b>											
Bond proceeds	-	-	-	-	-	-	-	-	-	-	-
Premium on bond issuance agent	-	-	-	-	-	-	-	-	-	-	-
Other use	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	453,417	63,485	104,384	-	621,286
Transfers out	-	-	(63,750)	-	(3,696,158)	-	(1,459,032)	(27,135)	(319,433)	-	(5,565,508)
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>(63,750)</b>	<b>-</b>	<b>(3,696,158)</b>	<b>-</b>	<b>(1,005,615)</b>	<b>36,350</b>	<b>(215,049)</b>	<b>-</b>	<b>(4,944,222)</b>
Net change in fund balances	(679,383)	-	172,659	(315,308)	43,699	(46,350)	-	-	(23,731)	167,173	(681,241)
Fund balances - beginning, as restated	465,024	-	173,624	701,466	2,022,908	3,864,379	-	-	426,834	2,198,456	9,852,691
<b>Fund balances - ending</b>	<b>\$ (214,359)</b>	<b>\$ -</b>	<b>\$ 346,283</b>	<b>\$ 386,158</b>	<b>\$ 2,066,607</b>	<b>\$ 3,818,029</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 403,103</b>	<b>\$ 2,365,629</b>	<b>\$ 9,171,450</b>

(Continued)

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

Year Ended June 30, 2012

	Capital Projects					Total	Permanent Trust	Total Nonmajor Governmental Funds
	Debt Service Fund	Congaree Vista District	Streetscaping	General Capital Projects	Miscellaneous Projects		Dickson Trust	
<b>REVENUES</b>								
Federal government	\$ -	\$ -	\$ 1,277,321	\$ -	\$ -	\$ 1,277,321	\$ -	\$ 7,905,552
State government	-	-	-	11,671	-	11,671	-	417,851
County government	-	-	-	-	-	-	-	5,672,823
Promotions	-	-	-	-	-	-	-	392,947
Charges for services	-	-	-	-	-	-	-	22,279
Fines and forfeitures	-	-	-	-	-	-	-	138,253
Confiscated funds	-	-	-	-	-	-	-	403,311
Sales and hospitality taxes	-	-	-	-	-	-	-	14,142,856
Interest income	39,368	-	-	-	(383)	(383)	-	59,970
Other revenue	-	-	854,538	1,417,877	-	2,272,415	-	2,680,355
<b>Total revenues</b>	<b>39,368</b>	<b>-</b>	<b>2,131,859</b>	<b>1,429,548</b>	<b>(383)</b>	<b>3,561,024</b>	<b>-</b>	<b>31,836,197</b>
<b>EXPENDITURES</b>								
Current								
General government	-	-	-	-	-	-	-	148,839
Public safety	-	-	-	-	-	-	-	3,870,874
Public services	-	-	8,974	270,271	53,880	333,125	-	4,632,281
Community promotion	-	-	-	-	-	-	-	12,248,610
Debt Service								
Principal	4,990,000	-	-	-	-	-	-	6,725,000
Interest and other charges	1,906,944	-	-	-	-	-	-	3,116,069
Fiscal agent charges	8,913	-	-	-	-	-	-	8,913
Debt issuance costs	-	-	-	-	582,372	582,372	-	582,372
Capital Outlay								
Capital outlay	-	2,085,887	1,967,042	4,353,040	25,284	8,431,253	-	8,892,473
<b>Total expenditures</b>	<b>6,905,857</b>	<b>2,085,887</b>	<b>1,976,016</b>	<b>4,623,311</b>	<b>661,536</b>	<b>9,346,750</b>	<b>-</b>	<b>40,225,431</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(6,866,489)</b>	<b>(2,085,887)</b>	<b>155,843</b>	<b>(3,193,763)</b>	<b>(661,919)</b>	<b>(5,785,726)</b>	<b>-</b>	<b>(8,389,234)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Bond proceeds	-	-	-	-	5,575,000	5,575,000	-	5,575,000
Premium on bond issuance	-	-	-	-	343,785	343,785	-	343,785
Transfers in	6,992,434	266,694	93,834	4,812,428	2,476,532	7,649,488	-	15,263,208
Transfers out	(1,586,114)	-	(4,359,138)	-	(5,152,557)	(9,511,695)	-	(16,663,317)
<b>Total other financing sources and uses</b>	<b>5,406,320</b>	<b>266,694</b>	<b>(4,265,304)</b>	<b>4,812,428</b>	<b>3,242,760</b>	<b>4,056,578</b>	<b>-</b>	<b>4,518,676</b>
Net change in fund balances	(1,460,169)	(1,819,193)	(4,109,461)	1,618,665	2,580,841	(1,729,148)	-	(3,870,558)
Fund balances - beginning, as restated	4,940,502	9,946,758	12,646,609	3,770,994	6,993,256	33,357,617	5,578	48,156,388
<b>Fund balances - ending</b>	<b>\$ 3,480,333</b>	<b>\$ 8,127,565</b>	<b>\$ 8,537,148</b>	<b>\$ 5,389,659</b>	<b>\$ 9,574,097</b>	<b>\$ 31,628,469</b>	<b>\$ 5,578</b>	<b>\$ 44,285,830</b>

## NONMAJOR PROPRIETARY FUNDS

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

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

*Stormwater Facilities Fund* accounts for stormwater 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, 2012

	Hydro Electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Totals
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 4,144,588	\$ 10,309,657	\$ 6,757,563	\$ 220,433	\$ 21,432,241
Investments	-	7,683,878	-	-	7,683,878
Accounts receivable, net	139,107	1,843	-	-	140,950
Mortgage notes receivable, net	-	-	407,250	-	407,250
Accrued interest receivable	-	40,549	-	-	40,549
Due from component units	-	-	582,365	-	582,365
Prepaid expenses	-	3,193	-	-	3,193
Real estate held for resale	-	-	408,172	-	408,172
<b>Total current assets</b>	<b>4,283,695</b>	<b>18,039,120</b>	<b>8,155,350</b>	<b>220,433</b>	<b>30,698,598</b>
<b>Noncurrent Assets</b>					
Mortgage notes receivable, net	-	-	19,958,776	-	19,958,776
<b>Capital assets</b>					
Land	327,169	17,969	-	-	345,138
Buildings, improvements, and utility plant	16,173,300	8,608,013	-	-	24,781,313
Machinery and equipment	-	1,805,799	-	-	1,805,799
Less accumulated depreciation	(3,153,794)	(2,399,923)	-	-	(5,553,717)
Construction in progress	-	1,025,568	-	-	1,025,568
<b>Net capital assets</b>	<b>13,346,675</b>	<b>9,057,426</b>	<b>-</b>	<b>-</b>	<b>22,404,101</b>
<b>Total noncurrent assets</b>	<b>13,346,675</b>	<b>9,057,426</b>	<b>19,958,776</b>	<b>-</b>	<b>42,362,877</b>
<b>TOTAL ASSETS</b>	<b>\$ 17,630,370</b>	<b>\$ 27,096,546</b>	<b>\$ 28,114,126</b>	<b>\$ 220,433</b>	<b>\$ 73,061,475</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 171,656	\$ 120,674	\$ 8,434	\$ 9,709	\$ 310,473
Accrued salaries and benefits	-	102,183	-	9,525	111,708
Compensated absences	-	14,951	-	258	15,209
Retainage payable	-	53,915	-	-	53,915
Contract payable	645,601	-	-	-	645,601
Deferred revenue	1,500,000	-	-	-	1,500,000
<b>Total current liabilities</b>	<b>2,317,257</b>	<b>291,723</b>	<b>8,434</b>	<b>19,492</b>	<b>2,636,906</b>
<b>Noncurrent Liabilities</b>					
Contract payable	645,601	-	-	-	645,601
Compensated absences	-	59,805	-	933	60,738
Deferred revenue	2,000,000	-	-	-	2,000,000
<b>Total noncurrent assets</b>	<b>2,645,601</b>	<b>59,805</b>	<b>-</b>	<b>933</b>	<b>2,706,339</b>
<b>Total liabilities</b>	<b>4,962,858</b>	<b>351,528</b>	<b>8,434</b>	<b>20,425</b>	<b>5,343,245</b>
<b>Net Assets</b>					
Investments in capital assets, net of related debt	13,346,675	9,057,426	-	-	22,404,101
Unrestricted	(679,163)	17,687,592	28,105,692	200,008	45,314,129
<b>Total net assets</b>	<b>12,667,512</b>	<b>26,745,018</b>	<b>28,105,692</b>	<b>200,008</b>	<b>67,718,230</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 17,630,370</b>	<b>\$ 27,096,546</b>	<b>\$ 28,114,126</b>	<b>\$ 220,433</b>	<b>\$ 73,061,475</b>

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

Year Ended June 30, 2012

	Hydro Electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Totals
Operating revenues					
Charges for service	\$ 1,122,234	\$ 4,861,153	\$ 593,833	\$ 262,582	\$ 6,839,802
Other operating revenue	-	-	3,770	-	3,770
Total operating revenues	<u>1,122,234</u>	<u>4,861,153</u>	<u>597,603</u>	<u>262,582</u>	<u>6,843,572</u>
Operating expenses					
Personnel services	-	2,811,725	-	179,883	2,991,608
Materials and supplies	-	241,434	-	40,003	281,437
Other services and charges	1,105,255	955,840	556,367	86,053	2,703,515
Heat, light and power	118,372	-	-	-	118,372
Depreciation	323,466	571,709	-	-	895,175
Bad debt expense	-	2,160	1,410,085	-	1,412,245
Total operating expenses	<u>1,547,093</u>	<u>4,582,868</u>	<u>1,966,452</u>	<u>305,939</u>	<u>8,402,352</u>
Operating income (loss)	<u>(424,859)</u>	<u>278,285</u>	<u>(1,368,849)</u>	<u>(43,357)</u>	<u>(1,558,780)</u>
Nonoperating revenues (expenses)					
Investment income (loss)	-	228,334	2,347	-	230,681
Other nonoperating revenue	1,500,000	-	-	-	1,500,000
Gain (loss) from sale of assets	-	13,072	117,735	-	130,807
Total nonoperating revenues (expenses)	<u>1,500,000</u>	<u>241,406</u>	<u>120,082</u>	<u>-</u>	<u>1,861,488</u>
Income (loss) before transfers	<u>1,075,141</u>	<u>519,691</u>	<u>(1,248,767)</u>	<u>(43,357)</u>	<u>302,708</u>
Transfers					
Transfers in	-	1,000,000	731,789	-	1,731,789
Transfers out	(1,500,000)	(8,410)	(453,417)	-	(1,961,827)
Total transfers	<u>(1,500,000)</u>	<u>991,590</u>	<u>278,372</u>	<u>-</u>	<u>(230,038)</u>
Change in net assets	(424,859)	1,511,281	(970,395)	(43,357)	72,670
Net assets - beginning	<u>13,092,371</u>	<u>25,233,737</u>	<u>29,076,087</u>	<u>243,365</u>	<u>67,645,560</u>
<b>Net assets - ending</b>	<u><u>\$ 12,667,512</u></u>	<u><u>\$ 26,745,018</u></u>	<u><u>\$ 28,105,692</u></u>	<u><u>\$ 200,008</u></u>	<u><u>\$ 67,718,230</u></u>

**CITY OF COLUMBIA, SOUTH CAROLINA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS**

**Year Ended June 30, 2012**

	Hydro Electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Proprietary Funds
<b>Cash Flows From Operating Activities</b>					
Receipts from customers and users	\$ 1,122,234	\$ 4,860,164	\$ 597,603	\$ 262,582	\$ 6,842,583
Internal activity - payments to other funds	-	(936,581)	-	(7,597)	(944,178)
Payments to suppliers	(1,225,297)	(865,490)	(699,336)	(125,410)	(2,915,533)
Payments to employees	-	(2,326,288)	-	(198,836)	(2,525,124)
<b>Net cash provided by (used in) operating activities</b>	<u>(103,063)</u>	<u>731,805</u>	<u>(101,733)</u>	<u>(69,261)</u>	<u>457,748</u>
<b>Cash Flows From Noncapital Financing Activities</b>					
Due to (from) others	-	-	6,529	-	6,529
Payments on contracts payable	(645,600)	-	-	-	(645,600)
Transfers in	-	1,000,000	731,789	-	1,731,789
Transfers out	(1,500,000)	(8,410)	(453,417)	-	(1,961,827)
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>(2,145,600)</u>	<u>991,590</u>	<u>284,901</u>	<u>-</u>	<u>(869,109)</u>
<b>Cash Flows From Capital And Related Financing Activities</b>					
Purchase of capital assets	-	(1,436,671)	-	-	(1,436,671)
Proceeds from sale of capital assets	-	-	117,735	-	117,735
<b>Net cash used in capital and related financing activities</b>	<u>-</u>	<u>(1,436,671)</u>	<u>117,735</u>	<u>-</u>	<u>(1,318,936)</u>
<b>Cash Flows From Investing Activities</b>					
Sale of investments, net	-	880,936	-	-	880,936
Advances of mortgage notes receivable	-	-	(5,125,300)	-	(5,125,300)
Collections of mortgage notes receivable	-	-	5,772,433	-	5,772,433
Interest received	-	217,537	2,347	-	219,884
Other nonoperating revenue	1,500,000	-	-	-	1,500,000
Collections on accounts	3,500,000	-	-	-	3,500,000
Purchase of real estate held for resale	-	-	(241,402)	-	(241,402)
<b>Net cash provided by investing activities</b>	<u>5,000,000</u>	<u>1,098,473</u>	<u>408,078</u>	<u>-</u>	<u>6,506,551</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	2,751,337	1,385,197	708,981	(69,261)	4,776,254
Cash and cash equivalents, July 1, 2011	1,393,251	8,924,460	6,048,582	289,694	16,655,987
<b>Cash and cash equivalents, June 30, 2012</b>	<u>\$ 4,144,588</u>	<u>\$ 10,309,657</u>	<u>\$ 6,757,563</u>	<u>\$ 220,433</u>	<u>\$ 21,432,241</u>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS (CONTINUED)**

Year Ended June 30, 2012

	Hydro Electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Proprietary Funds
Reconciliation Of Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities					
<b>Operating income (loss)</b>	<u>\$ (424,859)</u>	<u>\$ 278,285</u>	<u>\$ (1,368,849)</u>	<u>\$ (43,357)</u>	<u>\$ (1,558,780)</u>
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	323,466	571,709	-	-	895,175
Bad debt expense	-	2,160	1,410,085	-	1,412,245
Change in operating assets and liabilities					
Accounts receivable	(139,107)	(989)	-	-	(140,096)
Prepaid expenses	-	(2,235)	-	454	(1,781)
Accounts payable	137,437	(111,937)	(142,969)	192	(117,277)
Accrued salaries	-	17,103	-	(27,093)	(9,990)
Accrued compensated absences	-	(22,291)	-	543	(21,748)
Total adjustments	<u>321,796</u>	<u>453,520</u>	<u>1,267,116</u>	<u>(25,904)</u>	<u>2,016,528</u>
<b>Net cash provided by (used in) operating activities</b>	<u><u>\$ (103,063)</u></u>	<u><u>\$ 731,805</u></u>	<u><u>\$ (101,733)</u></u>	<u><u>\$ (69,261)</u></u>	<u><u>\$ 457,748</u></u>

## INTERNAL SERVICE FUNDS

*Internal Service Funds* are used to account for the financing of goods and services provided by one department or agency to other departments or agencies in 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, 2012

	<b>Fleet Management</b>	<b>Support Services</b>	<b>Risk Management</b>	<b>Totals</b>
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 922,259	\$ 23,758	\$ 53,055,034	\$ 54,001,051
Accounts receivable	83,201	-	668,536	751,737
Prepaid expenses	-	62,774	-	62,774
Inventory	-	574,887	-	574,887
Total current assets	<u>1,005,460</u>	<u>661,419</u>	<u>53,723,570</u>	<u>55,390,449</u>
Noncurrent Assets				
Deposits	-	-	78,745	78,745
Capital assets				
Buildings	903,586	-	-	903,586
Machinery and equipment	2,208,263	1,149,988	18,428	3,376,679
Less accumulated depreciation	<u>(2,418,611)</u>	<u>(676,726)</u>	<u>(18,428)</u>	<u>(3,113,765)</u>
Total capital assets (net of accumulated depreciation)	<u>693,238</u>	<u>473,262</u>	<u>-</u>	<u>1,166,500</u>
Total noncurrent assets	<u>693,238</u>	<u>473,262</u>	<u>78,745</u>	<u>1,245,245</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,698,698</u></b>	<b><u>\$ 1,134,681</u></b>	<b><u>\$ 53,802,315</u></b>	<b><u>\$ 56,635,694</u></b>
<b>LIABILITIES AND NET ASSETS</b>				
Current Liabilities				
Accounts payable	\$ 1,516,685	\$ 288,457	\$ 860,687	\$ 2,665,829
Accrued salaries and benefits	88,673	32,516	13,012	134,201
OPEB liability	-	-	-	-
Accrued compensation absences	18,668	12,717	5,744	37,129
Due to other funds	-	667,760	815	668,575
Accrued liability for claims	-	-	15,438,244	15,438,244
Total current liabilities	<u>1,624,026</u>	<u>1,001,450</u>	<u>16,318,502</u>	<u>18,943,978</u>
Noncurrent Liabilities				
OPEB liability	-	-	42,650,241	42,650,241
Accrued compensated absences	<u>74,672</u>	<u>50,868</u>	<u>22,973</u>	<u>148,513</u>
Total noncurrent liabilities	<u>74,672</u>	<u>50,868</u>	<u>42,673,214</u>	<u>42,798,754</u>
Total liabilities	<u>1,698,698</u>	<u>1,052,318</u>	<u>58,991,716</u>	<u>61,742,732</u>
<b>NET ASSETS</b>				
Investment in capital assets	693,238	473,262	-	1,166,500
Unrestricted	<u>(693,238)</u>	<u>(390,899)</u>	<u>(5,189,401)</u>	<u>(6,273,538)</u>
Total net assets (deficit)	<u>-</u>	<u>82,363</u>	<u>(5,189,401)</u>	<u>(5,107,038)</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,698,698</u></b>	<b><u>\$ 1,134,681</u></b>	<b><u>\$ 53,802,315</u></b>	<b><u>\$ 56,635,694</u></b>

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

Year Ended June 30, 2012

	<u>Fleet Management</u>	<u>Support Services</u>	<u>Risk Management</u>	<u>Totals</u>
Operating revenues				
Charges for service	\$ 11,300,362	\$ 1,497,200	\$ 37,603,820	\$ 50,401,382
Total operating revenue	<u>11,300,362</u>	<u>1,497,200</u>	<u>37,603,820</u>	<u>50,401,382</u>
Operating expenses				
Personnel services	2,484,506	966,100	367,941	3,818,547
Materials and supplies	8,677,275	1,280,375	15,891	9,973,541
Bad debt expense	2,536	-	-	2,536
Heat, light and power	46,712	-	-	46,712
Other services and charges	148,079	1,224,813	3,284,433	4,657,325
Claims and premiums	-	-	32,246,281	32,246,281
Depreciation	138,828	102,258	-	241,086
Total operating expenses	<u>11,497,936</u>	<u>3,573,546</u>	<u>35,914,546</u>	<u>50,986,028</u>
Operating income (loss)	<u>(197,574)</u>	<u>(2,076,346)</u>	<u>1,689,274</u>	<u>(584,646)</u>
Nonoperating revenues				
Gain (loss) from sale of assets	10,935	450	-	11,385
Total nonoperating revenues	<u>10,935</u>	<u>450</u>	<u>-</u>	<u>11,385</u>
Loss before transfers	<u>(186,639)</u>	<u>(2,075,896)</u>	<u>1,689,274</u>	<u>(573,261)</u>
Transfers in	185,883	2,651,229	2,584,709	5,421,821
Transfers out	-	(492,970)	(1,039,749)	(1,532,719)
Total transfers	<u>185,883</u>	<u>2,158,259</u>	<u>1,544,960</u>	<u>3,889,102</u>
Change in net assets	(756)	82,363	3,234,234	3,315,841
Net assets (deficits) - beginning	<u>756</u>	<u>-</u>	<u>(8,423,635)</u>	<u>(8,422,879)</u>
<b>Net assets (deficits) - ending</b>	<u><u>\$ -</u></u>	<u><u>\$ 82,363</u></u>	<u><u>\$ (5,189,401)</u></u>	<u><u>\$ (5,107,038)</u></u>

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

Year Ended June 30, 2012

	<b>Fleet Management</b>	<b>Support Services</b>	<b>Risk Management</b>	<b>Totals</b>
<b>Cash Flows From Operating Activities</b>				
Internal activity - receipts from other funds	\$ 7,465,716	\$ 1,497,200	\$ 37,837,542	\$ 46,800,458
Receipts from customers and users	3,839,941	-	-	3,839,941
Internal activity - payments to other funds	(556,515)	(56,041)	(32,220)	(644,776)
Payments to suppliers	(7,837,403)	(3,437,098)	(855,584)	(12,130,085)
Claims paid	-	-	(30,641,025)	(30,641,025)
Payments to employees	(1,962,878)	(139,595)	(331,063)	(2,433,536)
<b>Net cash provided by (used in) operating activities</b>	<b>948,861</b>	<b>(2,135,534)</b>	<b>5,977,650</b>	<b>4,790,977</b>
<b>Cash Flows From Noncapital Financing Activities</b>				
Due to (from) others	(61,927)	287,250	813	226,136
Transfers in	185,883	2,651,229	2,584,709	5,421,821
Transfers out	-	(492,970)	(1,039,749)	(1,532,719)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>123,956</b>	<b>2,445,509</b>	<b>1,545,773</b>	<b>4,115,238</b>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Proceeds from sale of capital assets	10,935	450	-	11,385
Purchase of capital assets	(162,249)	(401,224)	-	(563,473)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(151,314)</b>	<b>(400,774)</b>	<b>-</b>	<b>(552,088)</b>
<b>Net increase in cash and cash equivalents</b>	<b>921,503</b>	<b>(90,799)</b>	<b>7,523,423</b>	<b>8,354,127</b>
Cash and cash equivalents, July 1, 2011	756	114,557	45,531,611	45,646,924
<b>Cash and cash equivalents, June 30, 2012</b>	<b>\$ 922,259</b>	<b>\$ 23,758</b>	<b>\$ 53,055,034</b>	<b>\$ 54,001,051</b>
<b>Reconciliation Of Operating Loss To Net Cash Provided By (Used In) Operating Activities</b>				
<b>Operating income (loss)</b>	<b>\$ (197,574)</b>	<b>\$ (2,076,346)</b>	<b>\$ 1,689,274</b>	<b>\$ (584,646)</b>
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation	138,828	102,258	-	241,086
Bad debt expense	2,536	-	-	2,536
Change in operating assets and liabilities				
Accounts receivable	5,295	-	233,722	239,017
Inventory	-	(44,475)	-	(44,475)
Prepaid expenses	200,944	21,783	255,671	478,398
Accounts payable	833,719	(123,001)	(561,172)	149,546
Accrued salaries	9,728	2,986	1,616	14,330
Accrued compensated absences	(44,615)	(18,739)	3,042	(60,312)
OPEB liability	-	-	2,750,241	2,750,241
Accrued liability for claims	-	-	1,605,256	1,605,256
Total adjustments	1,146,435	(59,188)	4,288,376	5,375,623
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 948,861</b>	<b>\$ (2,135,534)</b>	<b>\$ 5,977,650</b>	<b>\$ 4,790,977</b>

## **SUPPLEMENTARY INFORMATION**

**CITY OF COLUMBIA, SOUTH CAROLINA  
SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES  
YEAR ENDED JUNE 30, 2012**

**Court Fines and Assessments**

Fines Collected	\$ 948,276
Assessments	929,080
Surcharges	<u>481,658</u>

**Total Court Fines and Assessments Collected** \$ 2,359,014

**Surcharges and Assessments Remitted to State Treasurer**

Fines, Fees and Filing Fee / Assessment	
Municipal Conditional Discharge Fee	\$ 13,350
DUI/DUS/BUI	
Municipal DUI Assessment	2,838
Municipal DUI Surcharge	1,900
DUI/DUAC Breathalyzer Test Conviction Fee - SLED	25
Surcharges	
Municipal Drug Surcharge	3,500
Municipal Law Enforcement Surcharge	372,786
Criminal Justice Academy Surcharge	68,005
Other Assessments - State Shared	<u>810,080</u>

**Total Revenue Remitted to State Treasurer** \$ 1,272,484

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

Fines	\$ 948,276
Assessments	102,787
Surcharges	<u>35,467</u>

**Total Revenue Retained by City** \$ 1,086,530

**Funds Allocated to Victims Assistance**

Carryover Funds from Prior Year	\$ -
Assessments Retained	102,787
Surcharges Retained	35,467
Expenditures	(242,637)
Transfers from General Fund	<u>104,383</u>

**Total Unexpended Victims Assistance** \$ -

## **STATISTICAL SECTION**

**City of Columbia, South Carolina  
Statistical Section**

This part of the City of Columbia's comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

**Contents**

**Financial Trends (Schedule 1 through 4)**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

**Revenue Capacity (Schedule 5 through 8)**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

**Debt Capacity (Schedule 9 through 14)**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

**Demographic and Economic Information (Schedule 15 through 17)**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

**Operating Information (Schedule 18 through 19)**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

**Sources**

Unless otherwise noted the information in these schedules is derived from the comprehensive annual reports for the relevant year.

Schedule 1  
CITY OF COLUMBIA, SOUTH CAROLINA  
Net Assets by Component (unaudited)

Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 77,897,783	\$ 13,958,745	\$ 45,224,118	\$ 97,571,357	\$ 170,666,468	\$ 133,392,515	\$ 150,922,216	\$ 141,865,590	\$ 142,944,260	\$ 155,989,971
Restricted for:										
Programs	20,943,939	38,375,049	15,436,936	6,982	7,270	5,435	5,528	5,575	6,024,807	5,573,358
Debt service	49,590,914	49,893,410	39,421,392	-	-	-	-	-	4,940,501	3,480,333
Capital projects	-	-	-	-	-	-	-	-	16,940,012	17,701,662
Unrestricted	20,729,106	50,075,781	83,515,738	75,615,450	25,607,280	47,236,381	38,322,214	46,285,460	23,268,401	20,747,552
Total governmental activities net assets	<u>\$ 169,161,742</u>	<u>\$ 152,302,985</u>	<u>\$ 183,598,184</u>	<u>\$ 173,193,789</u>	<u>\$ 196,281,018</u>	<u>\$ 180,634,331</u>	<u>\$ 189,249,958</u>	<u>\$ 188,156,625</u>	<u>\$ 194,117,981</u>	<u>\$ 203,492,876</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 339,471,105	\$ 347,215,982	\$ 323,319,938	\$ 412,723,624	\$ 441,526,920	\$ 402,973,904	\$ 445,685,893	\$ 438,133,821	\$ 414,942,578	\$ 389,423,595
Restricted for debt service	53,905,301	33,854,487	18,553,749	-	-	-	-	9,231,571	9,231,571	9,292,810
Unrestricted	57,259,853	87,926,539	153,207,685	95,972,456	87,904,766	159,528,897	146,880,212	149,856,362	172,585,075	200,843,523
Total business-type activities net assets	<u>\$ 450,636,259</u>	<u>\$ 468,997,008</u>	<u>\$ 495,081,372</u>	<u>\$ 508,696,080</u>	<u>\$ 529,431,686</u>	<u>\$ 562,502,801</u>	<u>\$ 592,566,105</u>	<u>\$ 597,221,754</u>	<u>\$ 596,759,224</u>	<u>\$ 599,559,928</u>
Primary government										
Invested in capital assets, net of related debt	\$ 417,368,888	\$ 361,174,727	\$ 368,544,056	\$ 510,294,981	\$ 612,193,388	\$ 536,366,419	\$ 596,608,109	\$ 579,999,411	\$ 557,886,838	\$ 545,413,566
Restricted for:										
Programs	20,943,939	38,375,049	15,436,936	6,982	7,270	5,435	5,528	5,575	6,024,807	5,573,358
Debt service	103,496,215	83,747,897	57,975,141	-	-	-	-	9,231,571	14,172,072	12,773,143
Capital projects	-	-	-	-	-	-	-	-	16,940,012	17,701,662
Unrestricted	77,988,959	138,002,320	236,723,423	171,587,906	113,512,046	206,765,278	185,202,426	196,141,822	195,853,476	221,591,075
Total primary government net assets	<u>\$ 619,798,001</u>	<u>\$ 621,299,993</u>	<u>\$ 678,679,556</u>	<u>\$ 681,889,869</u>	<u>\$ 725,712,704</u>	<u>\$ 743,137,132</u>	<u>\$ 781,816,063</u>	<u>\$ 785,378,379</u>	<u>\$ 790,877,205</u>	<u>\$ 803,052,804</u>

Schedule 2  
**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Changes in Net Assets (unaudited)**

Last Ten Fiscal Years  
 (accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General government	\$ 50,887,060	\$ 43,839,690	\$ 6,912,887	\$ 51,296,220	\$ 35,358,581	\$ 37,178,955	\$ 41,427,388	\$ 53,883,052	\$ 35,131,885	\$ 10,877,738
Judicial	1,963,470	2,219,739	1,967,326	2,044,037	2,167,922	2,131,608	2,364,353	2,360,125	2,697,932	2,447,105
Finance	958,874	1,232,327	1,194,909	1,360,869	1,982,964	2,474,302	2,647,689	1,986,467	2,235,981	2,348,922
Community development	3,216,327	3,479,088	3,082,389	3,396,497	3,904,174	4,012,966	4,192,966	4,017,482	4,365,542	4,760,642
Public safety	41,485,605	43,635,426	38,027,339	41,619,178	50,306,710	55,514,924	57,138,835	50,615,722	58,762,428	75,783,788
Parks and recreation	9,085,423	8,982,103	13,169,502	7,853,425	11,053,830	11,544,030	11,142,423	8,681,126	11,445,882	9,912,910
Public services	18,994,344	25,123,790	25,910,346	22,868,279	24,014,241	20,835,435	20,798,283	17,884,065	21,229,705	24,168,009
General services	3,389,292	2,948,912	2,630,296	5,791,988	3,382,092	4,018,322	3,919,228	3,598,839	3,924,144	4,193,394
Community promotions	1,808,943	1,108,589	781,376	7,946,764	9,926,673	9,744,750	8,321,723	8,990,842	7,843,093	11,899,487
Interest and other charges	2,025,900	3,865,254	3,131,666	2,275,464	4,081,910	4,459,396	3,824,725	3,413,317	3,763,963	2,366,916
Non departmental	3,763,583	4,385,198	3,956,106	1,147,254	3,433,419	11,904,001	1,694,525	1,936,148	2,644,113	2,401,408
Total governmental activities expense	<u>137,578,821</u>	<u>140,820,116</u>	<u>100,764,142</u>	<u>147,599,975</u>	<u>149,612,516</u>	<u>163,818,689</u>	<u>157,472,138</u>	<u>157,367,185</u>	<u>154,044,668</u>	<u>151,160,319</u>
<b>Business-type Activities:</b>										
Water and sewer facilities	58,750,999	68,234,546	67,586,282	80,189,801	83,849,936	85,963,177	85,747,245	103,530,941	107,934,251	106,594,059
Hydro-electric plant	6,503,695	935,515	903,114	1,010,483	1,020,132	3,037,803	5,989,066	3,310,407	1,615,222	1,547,093
Stormwater	244,531	1,537,867	1,518,394	1,683,476	3,382,264	3,383,853	3,148,296	4,117,396	5,169,916	4,595,847
Parking facilities	2,573,768	2,887,975	2,745,011	6,149,446	5,139,583	5,213,105	5,740,304	6,959,024	7,234,418	6,336,721
Transportation	1,249,854	130,053	121,363	31,363	30,320	433,773	-	-	-	-
Redevelopment programs	254,716	624,323	238,547	901,209	774,935	3,611,769	960,872	4,704,419	606,265	1,966,452
Parks and recreation camps	-	-	-	-	-	-	-	248,705	268,639	305,939
Total business-type expenses	<u>69,577,563</u>	<u>74,350,279</u>	<u>73,112,711</u>	<u>89,965,778</u>	<u>94,197,170</u>	<u>101,643,480</u>	<u>101,585,783</u>	<u>122,870,892</u>	<u>122,828,711</u>	<u>121,346,111</u>
Total primary government expenses	<u>\$ 207,156,384</u>	<u>\$ 215,170,395</u>	<u>\$ 173,876,853</u>	<u>\$ 237,565,753</u>	<u>\$ 243,809,686</u>	<u>\$ 265,462,169</u>	<u>\$ 259,057,921</u>	<u>\$ 280,238,077</u>	<u>\$ 276,873,379</u>	<u>\$ 272,506,430</u>
<b>Program revenues</b>										
<b>Governmental Activities</b>										
<b>Charges for services</b>										
General government	\$ 24,568,938	\$ 23,102,916	\$ 22,917,241	\$ 10,872,952	\$ 8,853,475	\$ 10,150,599	\$ 7,900,830	\$ 6,461,975	\$ 9,042,002	\$ 771,459
Finance	1,495	1,192	24,770,726	24,697,055	29,319,287	28,351,828	28,850,804	26,306,361	27,706,315	28,328,937
Community development	-	-	1,895,324	2,079,932	2,138,058	1,623,669	1,478,580	1,112,332	1,052,569	721,425
Public safety	8,474,609	9,813,934	10,074,367	10,345,365	12,874,328	12,384,856	12,926,072	13,953,062	14,123,994	16,154,103
Parks and recreation	219,098	232,998	246,831	457,103	608,728	718,288	656,535	629,982	644,895	583,471
Public services	1,909,269	995,711	960,955	1,123,926	297,809	1,038,433	1,060,884	860,914	762,632	350,100
General services	302,479	329,818	-	-	-	-	-	-	-	-
Non departmental	1,881,194	2,007,979	2,123,832	2,367,405	2,492,238	3,091,810	440,682	154,783	170,256	-
Operating grants and contributions	12,750,139	16,251,273	25,839,940	30,208,259	30,413,604	27,663,920	29,022,624	34,616,143	35,000,087	33,702,068
Capital grants and contributions	997,922	872,341	-	2,165,766	8,291,673	5,649,457	11,318,774	5,851,833	3,618,198	4,112,450
Total Governmental Activities Program Revenue	<u>51,105,143</u>	<u>53,608,162</u>	<u>88,829,216</u>	<u>84,317,763</u>	<u>95,289,200</u>	<u>90,672,860</u>	<u>93,655,785</u>	<u>89,947,385</u>	<u>92,120,948</u>	<u>84,724,013</u>
<b>Business-type Activities</b>										
<b>Charges for services</b>										
Water and sewer facilities	80,867,392	84,969,401	84,981,926	88,919,453	98,386,267	112,790,238	106,434,644	109,044,457	107,976,683	112,750,717
Hydro-electric plant	22,349,339	453,495	635,608	662,924	493,290	784,235	4,094,441	1,346,041	851,431	2,622,234
Stormwater	1,519,919	1,960,509	3,679,426	3,921,119	3,983,590	3,980,323	4,725,468	4,800,452	4,778,442	4,861,153
Parking facilities	5,179,309	5,628,596	6,737,387	6,165,672	6,135,182	6,916,956	6,265,683	5,765,996	6,441,140	6,520,866
Transportation	193,769	360	-	-	-	-	-	-	-	-
Redevelopment programs	163,232	79,865	64,500	3,603,824	495,150	934,614	918,809	881,876	646,954	599,950
Parks and recreation camps	-	-	-	-	-	-	-	207,707	226,238	262,582
Capital grants and contributions	-	-	-	13,738,679	12,161,089	12,847,905	8,358,175	5,154,530	4,038,585	4,066,060
Total Business-type Activities Revenues	<u>110,272,960</u>	<u>93,091,866</u>	<u>96,099,207</u>	<u>117,011,671</u>	<u>121,654,568</u>	<u>138,254,271</u>	<u>130,797,220</u>	<u>127,201,059</u>	<u>124,959,473</u>	<u>131,683,562</u>
Total Primary Government Revenues	<u>\$ 161,378,103</u>	<u>\$ 146,700,028</u>	<u>\$ 184,928,423</u>	<u>\$ 201,329,434</u>	<u>\$ 216,943,768</u>	<u>\$ 228,927,131</u>	<u>\$ 224,453,005</u>	<u>\$ 217,148,444</u>	<u>\$ 217,080,421</u>	<u>\$ 216,407,575</u>
<b>Net (expense) revenue</b>										
Governmental activities	\$ (86,473,678)	\$ (87,211,954)	\$ (11,934,926)	\$ (63,282,212)	\$ (54,323,316)	\$ (73,145,829)	\$ (63,816,353)	\$ (67,419,800)	\$ (61,923,720)	\$ (66,436,306)
Business-type activities	40,695,397	18,741,587	22,986,496	27,045,893	27,457,398	36,610,791	29,211,437	4,330,167	2,130,762	10,337,451
Total Primary Government Net Expense	<u>\$ (45,778,281)</u>	<u>\$ (68,470,367)</u>	<u>\$ 11,051,570</u>	<u>\$ (36,236,319)</u>	<u>\$ (26,865,918)</u>	<u>\$ (36,535,038)</u>	<u>\$ (34,604,916)</u>	<u>\$ (63,089,633)</u>	<u>\$ (59,792,958)</u>	<u>\$ (56,098,855)</u>

(Continued)

Schedule 2 (Continued)  
 CITY OF COLUMBIA, SOUTH CAROLINA  
 Changes in Net Assets (unaudited)

Last Ten Fiscal Years  
 (accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Taxes										
Property taxes levied for general purposes	\$ 36,186,403	\$ 38,407,974	\$ 36,597,464	\$ 27,134,829	\$ 32,028,856	\$ 30,888,940	\$ 35,042,668	\$ 34,096,781	\$ 35,775,181	\$ 35,831,679
Local Option Sales Tax	-	-	-	14,241,132	14,988,418	14,988,418	13,616,717	15,722,327	13,947,099	14,874,049
Sales tax	-	-	-	-	-	8,061,364	8,070,790	7,941,705	8,359,028	14,216,318
Alcoholic beverages	2,996,985	3,023,084	3,131,607	3,204,139	3,435,403	254,562	323,644	261,200	-	-
Motor fuel	17,202	26,684	14,239	9,241	7,715	1,275	1,059	11,024	4,976	3,436
Miscellaneous	13,022	10,356	9,953	10,383	-	-	-	-	-	-
License and permits	23,761,850	25,859,680	-	-	-	-	-	-	-	-
State shared revenue	-	-	-	-	-	3,796,780	3,622,407	3,037,888	2,604,423	2,363,791
Fines and forfeitures	881,319	792,154	903,730	-	-	-	-	-	-	-
Investment income	5,040,786	12,996	2,625,477	2,478,194	4,670,483	3,481,543	1,282,669	417,459	1,068,106	537,702
Other	267,715	313,880	230,632	(2,950,480)	(7,426,558)	(1,159,745)	1,891,037	-	-	156,323
Transfers	2,266,964	1,906,389	243,168	5,832,436	8,736,903	2,788,348	8,580,988	4,838,083	6,126,263	7,826,063
Total Governmental Activities	71,432,246	70,353,197	43,756,270	49,959,874	56,441,220	63,101,485	72,431,979	66,326,467	67,885,076	75,809,361
Business-type Activities										
Investment income	6,316,114	1,218,796	3,368,514	5,536,084	6,715,293	8,194,017	5,589,423	5,146,089	3,389,883	2,899,062
Other	18,000	189,640	-	-	-	-	-	-	-	-
Gain (loss) on sale of capital assets	29,138	117,115	58,153	22,080	(116,006)	(228,140)	3,843,432	17,476	143,088	(2,609,759)
Transfers	(2,266,964)	(1,906,389)	(243,168)	(5,832,436)	(8,736,903)	(2,788,348)	(8,580,988)	(4,838,083)	(6,126,263)	(7,826,063)
Total Business-type Activities	4,096,288	(380,838)	3,183,499	(274,272)	(2,137,616)	5,177,529	851,867	325,482	(2,593,292)	(7,536,760)
Total Primary Government	\$ 75,528,534	\$ 69,972,359	\$ 46,939,769	\$ 49,685,602	\$ 54,303,604	\$ 68,279,014	\$ 73,283,846	\$ 66,651,949	\$ 65,291,784	\$ 68,272,601
Change in Net Assets										
Governmental activities	\$ (15,041,432)	\$ (16,858,757)	\$ 31,821,344	\$ (13,322,338)	\$ 2,117,904	\$ (10,044,344)	\$ 8,615,626	\$ (1,093,333)	\$ 5,961,356	\$ 9,373,055
Business-type activities	44,791,685	18,360,749	26,169,995	26,771,621	25,319,782	41,788,320	30,063,304	4,655,649	(462,530)	2,800,691
Total Primary Government	\$ 29,750,253	\$ 1,501,992	\$ 57,991,339	\$ 13,449,283	\$ 27,437,686	\$ 31,743,976	\$ 38,678,930	\$ 3,562,316	\$ 5,498,826	\$ 12,173,746

Schedule 3  
**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Fund Balances - Governmental Funds (unaudited)**

Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010 ***	2011	2012
General Fund										
Reserved	\$ 1,555,280	\$ 2,324,610	\$ 1,647,466	\$ 1,126,443	\$ 2,037,950	\$ 2,083,436	\$ 1,523,270	\$ -	\$ -	\$ -
Unreserved	18,168,712	14,151,939	15,196,044	22,394,019	21,687,149	10,463,453	5,300,625	-	-	-
Nonspendable	-	-	-	-	-	-	-	246,160	493,807	280,272
Committed	-	-	-	-	-	-	-	-	2,126,479	-
Assigned	-	-	-	-	-	-	-	1,538,430	-	190,599
Unassigned	-	-	-	-	-	-	-	13,668,226	11,424,065	14,972,196
Total general fund	<u>\$ 19,723,992</u>	<u>\$ 16,476,549</u>	<u>\$ 16,843,510</u>	<u>\$ 23,520,462</u>	<u>\$ 23,725,099</u>	<u>\$ 12,546,889</u>	<u>\$ 6,823,895</u>	<u>\$ 15,452,816</u>	<u>\$ 14,044,351</u>	<u>\$ 15,443,067</u>
County Services Fund *										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 445,261	\$ -	\$ 445,261	\$ -	\$ -	\$ -
Unreserved	-	-	-	1,046,348	(1,039,064)	(862,306)	(445,261)	-	-	-
Nonspendable	-	-	-	-	-	-	-	35,374	4,378	14,536
Assigned	-	-	-	-	-	-	-	303,617	481,073	735,023
Total business-type activities net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,046,348</u>	<u>\$ (593,803)</u>	<u>\$ (862,306)</u>	<u>\$ -</u>	<u>\$ 338,991</u>	<u>\$ 485,451</u>	<u>\$ 749,559</u>
Columbia Parking Facilities Corporation Fund **										
Unreserved	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,784,113</u>	<u>\$ 176,310</u>	<u>\$ 1,068,371</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All Other Governmental Funds										
Reserved	\$ 23,181,664	\$ 40,006,279	\$ 18,768,543	\$ 22,490,311	\$ 17,534,858	\$ 7,670,827	\$ 16,065,853	\$ -	\$ -	\$ -
Unreserved	42,255,758	11,739,339	20,751,710	26,824,717	24,688,537	40,903,607	27,174,124	-	-	-
Nonspendable	-	-	-	-	-	-	-	6,943	19,080	16,433
Restricted	-	-	-	-	-	-	-	5,575	27,900,320	26,750,353
Committed	-	-	-	-	-	-	-	-	3,864,378	-
Assigned	-	-	-	-	-	-	-	39,198,661	16,417,601	17,744,836
Unassigned	-	-	-	-	-	-	-	(31,068)	(14,080)	(225,792)
Total all other governmental funds	<u>\$ 65,437,422</u>	<u>\$ 51,745,618</u>	<u>\$ 39,520,253</u>	<u>\$ 49,315,028</u>	<u>\$ 42,223,395</u>	<u>\$ 48,574,434</u>	<u>\$ 43,239,977</u>	<u>\$ 39,180,111</u>	<u>\$ 48,187,299</u>	<u>\$ 44,285,830</u>

\* The County Services Fund is considered a major fund, however, prior to fiscal year 2006 it had no fund balance.

\*\* The Columbia Parking Facilities Fund became a major fund in fiscal year 2007 and was considered not to be a major fund in fiscal year 2010 and thereafter and was therefore included with the General Fund.

\*\*\* Beginning in fiscal year 2010, GASB 54 was implemented and the Governmental Fund balances are presented accordingly.

Schedule 4  
 CITY OF COLUMBIA, SOUTH CAROLINA  
 Changes in Fund Balances - Governmental Funds (unaudited)

Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues:</b>										
General property taxes	\$ 36,233,504	\$ 36,099,720	\$ 36,529,356	\$ 41,546,505	\$ 46,684,713	\$ 45,540,299	\$ 48,292,387	\$ 48,930,564	\$ 49,728,075	\$ 50,496,237
Sales, hospitality and admission taxes	-	-	-	-	-	8,061,364	8,070,790	7,941,705	8,359,028	14,216,318
License and permits	23,487,750	25,431,285	26,666,050	27,911,017	31,162,106	29,961,967	29,591,085	27,418,693	28,758,883	28,329,064
Intergovernmental revenue	7,179,705	8,809,400	8,728,588	8,884,739	9,879,961	11,401,560	11,689,903	11,961,868	11,734,994	12,974,392
Charges for services	6,229,443	6,326,365	6,059,904	7,708,719	8,412,727	7,200,753	7,166,064	7,004,163	6,945,737	6,915,049
Fines and forfeitures	881,319	792,154	903,730	788,374	786,187	910,061	922,675	864,112	889,048	1,139,209
Federal revenues	9,241,643	7,615,109	5,053,074	7,364,346	6,296,982	8,143,042	15,391,313	16,205,021	12,019,998	7,905,552
State revenues	2,561,773	3,771,656	3,378,397	2,501,419	1,630,152	2,988,092	2,002,864	1,634,625	1,971,391	417,851
County revenues	7,552,644	14,501,607	16,772,187	20,548,995	27,546,699	18,674,699	20,093,357	21,084,511	21,626,422	25,013,335
Promotions	215,182	132,718	264,974	60,177	188,563	148,073	192,721	144,639	220,148	392,947
Confiscated funds	184,143	299,749	40,488	143,818	44,057	192,623	291,003	74,057	671,961	403,311
Cost recovery fees	3,191,150	3,191,150	3,208,450	3,200,000	3,200,000	2,735,000	2,270,000	2,270,000	-	-
Interest	3,027,723	52,231	1,114,238	1,869,260	3,512,130	3,451,240	1,282,669	417,458	1,068,106	539,145
Other revenues	15,291,070	11,291,217	19,780,392	6,999,423	4,991,201	5,158,653	4,789,277	3,355,276	8,279,105	2,970,687
<b>Total revenues</b>	<b>115,277,049</b>	<b>118,314,361</b>	<b>128,499,828</b>	<b>129,526,792</b>	<b>144,335,478</b>	<b>144,567,426</b>	<b>152,046,108</b>	<b>149,306,692</b>	<b>152,272,896</b>	<b>151,713,097</b>
<b>Expenditures:</b>										
<b>Current:</b>										
General government	48,408,771	47,842,354	45,790,642	46,732,884	30,136,559	30,673,629	32,129,878	32,931,032	33,091,576	6,222,202
Judicial	1,784,063	1,892,361	1,888,129	1,833,635	1,874,399	2,276,204	2,279,449	2,264,446	2,267,244	2,387,018
Finance	889,279	1,022,332	1,192,351	1,252,432	1,747,050	2,583,820	2,601,962	1,953,988	1,974,835	1,978,427
Planning and development	2,814,749	2,983,747	3,161,595	3,093,611	3,249,126	4,311,401	4,027,245	3,898,247	3,635,412	3,939,862
Public safety	37,735,589	38,176,476	37,548,549	37,555,878	42,204,031	56,694,907	54,665,050	48,782,688	52,391,812	73,865,581
Parks and recreation	8,319,793	7,753,513	13,063,008	6,857,319	8,959,135	11,172,199	9,889,048	9,133,653	9,135,419	9,349,169
Public services	17,609,130	22,669,683	25,087,460	21,433,541	20,907,423	21,341,887	19,926,127	17,257,530	19,094,868	20,637,713
General services	2,489,298	2,467,729	2,366,418	5,181,242	3,221,626	3,873,214	3,847,700	3,537,722	3,644,002	4,109,575
Community promotion	1,808,943	1,108,589	781,376	7,946,764	8,028,392	9,744,750	8,321,723	8,990,842	7,843,093	12,745,631
Nondepartmental	1,839,037	2,336,110	1,823,582	656,597	1,994,232	5,348,207	1,395,676	1,066,644	1,666,009	2,388,824
Other charges	-	-	847,697	483,367	1,567,941	6,464,433	8,357	729,482	825,212	-
<b>Debt service:</b>										
Principal payment on bonds	3,041,991	5,033,272	4,914,429	8,168,439	7,559,169	16,741,585	9,144,966	5,205,034	5,655,000	7,205,000
Interest payments on bonds	1,924,534	2,101,502	1,847,366	1,626,467	3,804,084	4,838,956	3,899,408	3,444,234	3,776,747	4,069,181
Fiscal agent charges	3,314	4,078	3,684	5,208	87,360	4,072	27,424	8,040	9,040	8,913
Debt issuance costs	-	-	-	-	-	-	-	-	276,774	2,122,842
<b>Capital outlay:</b>										
Capital outlay:	1,606,189	1,486,953	508,109	6,027,774	25,409,592	11,293,382	16,773,619	9,410,916	6,081,858	13,338,436
<b>Total expenditures</b>	<b>130,274,680</b>	<b>136,878,699</b>	<b>140,824,395</b>	<b>148,855,158</b>	<b>160,750,119</b>	<b>187,362,646</b>	<b>168,937,632</b>	<b>148,614,498</b>	<b>151,368,901</b>	<b>164,368,374</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(14,997,631)</b>	<b>(18,564,338)</b>	<b>(12,324,567)</b>	<b>(19,328,366)</b>	<b>(16,414,641)</b>	<b>(42,795,220)</b>	<b>(16,891,524)</b>	<b>692,194</b>	<b>903,995</b>	<b>(12,655,277)</b>
<b>Other financing sources (uses):</b>										
Transfers in	25,880,826	15,286,795	17,298,701	25,167,313	23,252,127	57,336,108	25,317,909	22,801,863	28,197,309	31,021,933
Transfers out	(23,868,862)	(13,661,709)	(16,306,393)	(19,334,877)	(31,432,694)	(46,409,322)	(22,775,520)	(19,811,164)	(31,220,308)	(27,084,972)
Proceeds from borrowing	15,500,000	-	-	1,500,000	22,014,258	13,143,195	2,429,249	-	9,375,000	5,575,000
Premium on bonds sold	-	-	-	-	-	-	-	-	662,383	343,785
Refunding bonds issued	-	-	-	-	-	-	3,625,000	-	9,945,000	14,825,000
Payment to refunded bond escrow agent	-	-	-	-	-	-	(3,540,000)	-	(10,262,899)	(14,436,356)
Sales of assets	84,375	-	-	6,485,100	2,526,053	9,021,764	2,531,802	156,782	144,703	170,409
<b>Total other financing sources (uses)</b>	<b>17,596,339</b>	<b>1,625,086</b>	<b>992,308</b>	<b>13,817,536</b>	<b>16,359,744</b>	<b>33,091,745</b>	<b>7,588,440</b>	<b>3,147,481</b>	<b>6,841,188</b>	<b>10,414,799</b>
<b>Net change in fund balance</b>	<b>\$ 2,598,708</b>	<b>\$ (16,939,252)</b>	<b>\$ (11,332,259)</b>	<b>\$ (5,510,830)</b>	<b>\$ (54,897)</b>	<b>\$ (9,703,475)</b>	<b>\$ (9,303,084)</b>	<b>\$ 3,839,675</b>	<b>\$ 7,745,183</b>	<b>\$ (2,240,478)</b>
Debt service as a percentage of noncapital expenditures	4%	5%	5%	7%	8%	12%	9%	6%	6%	7%

**Schedule 5**  
**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Assessed Value and Estimated Actual Value of Taxable Property (unaudited)**

**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Tax Year	Real Property		Personal Property		Total		Assessed Value as a Percentage of Actual Value
		Assessed Value	Estimated Actual Value	Assessed Value <sup>1</sup>	Estimated Actual Value	Assessed Value	Estimated Actual Value	
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%
2012	2011	399,357,360	8,240,197,133	105,214,744	1,241,437,184	504,572,104	9,481,634,317	5.32%

Source: Richland County and Lexington County Auditor's office

Note: Neither Richland County or Lexington County assess tax exempt property.  
Total assessed value based upon assessment ratios set by state statutes.  
Reassessment took place in 2009 for Richland County.

<sup>1</sup> The total taxable assessed value does not include Merchant's Inventory Value of \$6,667,290; however, it is included in the value used to calculate the legal debt limit.

**Schedule 6  
CITY OF COLUMBIA, SOUTH CAROLINA  
Direct and Overlapping Property Tax Rates (unaudited)**

**Last Ten Fiscal Years  
(Rate per \$1,000 of assessed value)**

Year Ended June 30,	City Direct Rate	Overlapping Rates <sup>1</sup>				
		Counties		School Districts		
		Richland County	Lexington County	Richland County School District Number 1	Richland County School District Number 2	Richland/Lexington School District Number 5
2003	92.0	87.7	106.0	222.0	241.2	238.7
2004	92.0	97.8	108.4	259.0	260.4	246.1
2005	92.0	101.5	112.4	267.6	268.0	244.9
2006	83.6	98.0	100.7	246.0	259.0	214.6
2007	99.0	98.3	104.1	260.8	273.5	231.1
2008	102.5	100.1	109.7	276.9	288.9	252.5
2009	106.3	104.0	114.2	283.2	301.3	261.5
2010	98.1	101.8	115.2	284.4	342.3	265.0
2011	98.1	102.8	109.7	288.4	343.3	266.3
2012	98.1	105.3	112.7	289.7	349.4	274.4

Source: Richland County Auditor's office and Lexington County Auditor's office.

<sup>1</sup> Overlapping rates are those of county governments that apply to property owners with the City of Columbia. Not all overlapping rates apply to all City property owners (e.g. the rates for the counties and school districts apply only to the property owners whose property is located within the geographical boundaries of that county or school district). The majority of the property owners in the City of Columbia are within the geographical boundaries of Richland County and Richland County School District Number 1.

**Schedule 7  
CITY OF COLUMBIA, SOUTH CAROLINA  
Principal Property Taxpayers (unaudited)**

**Current Year and Nine Years Ago**

Taxpayer	2012			2003		
	Taxable Assessed Value <sup>1</sup>	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value <sup>2</sup>	Rank	Percentage of Total Taxable Assessed Value
South Carolina Electric and Gas	\$ 13,103,950	1	2.60%	\$ 13,740,440	1	4.12%
Bellsouth Telecommunications LLC	6,731,350	2	1.33%	9,824,940	2	2.94%
Unum Provident Corporation	2,754,467	3	0.55%	-		
US REIF/MJW Capital Center Fee	2,181,610	4	0.43%	-		
Colonial Life and Accident	1,860,080	5	0.37%	2,190,460	7	0.66%
Bottling Group LLC	1,816,790	6	0.36%	-		
Main and Gervais LLC	1,776,700	7	0.35%	-		
Drake Columbia	1,710,080	8	0.34%	-		
Time Warner Cable	1,593,030	9	0.32%	2,289,690	6	0.69%
Assembly Station Columbia LLC	1,484,450	10	0.29%	-		
BellSouth Personal Communication	-			2,475,050	3	0.74%
Airgatae PCS	-			2,468,580	4	0.74%
Main Street Associates	-			2,334,900	5	0.70%
AT&T Communications	-			1,995,510	8	0.60%
Baker and Baker	-			1,690,650	9	0.51%
Parkway Properties LP	-			1,633,610	10	0.49%
	<u>\$ 35,012,507</u>		<u>6.94%</u>	<u>\$ 40,643,830</u>		<u>12.19%</u>

Source: The assessed valuations for the taxpayers listed above were provided by either Richland or Lexington County.

<sup>1</sup> Total assessed valuation was \$504,502,983

<sup>2</sup> Total assessed valuation was \$333,419,442

**Schedule 8  
CITY OF COLUMBIA, SOUTH CAROLINA  
Property Tax Levies and Collections (unaudited)**

**Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 30,717,596	\$ 28,041,551	91.29%	\$ 1,663,305	\$ 29,704,856	96.70%
2004	30,246,516	28,162,482	93.11%	1,574,590	29,737,072	98.32%
2005	30,483,195	27,959,678	91.72%	1,632,522	29,592,200	97.08%
2006	36,175,090	34,021,898	94.05%	1,216,010	35,237,908	97.41%
2007	39,338,096	38,398,690	97.61%	1,011,744	39,410,434	100.18%
2008	43,166,262	42,270,086	97.92%	1,348,627	43,618,713	101.05%
2009	48,642,762	46,502,075	95.60%	1,322,443	47,824,518	98.32%
2010	49,514,889	46,637,386	94.19%	2,293,178	48,930,564	98.82%
2011	49,454,262	47,105,225	95.25%	2,622,850	49,728,075	100.55%
2012	50,201,476	48,564,952	96.74%	1,931,285	50,496,237	100.59%

Sources: Richland County Finance Department and Lexington County Finance Department

**Schedule 9**  
**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Ratios of Outstanding Debt by Type (unaudited)**

**Last Ten Fiscal Years**

Fiscal Year	General Bonded Debt			Debt Per Capita	Tax Increment Bonds	Notes Payable	Capital Lease	Revenue Bonds	Total Governmental Activities Debt
	Governmental Activities General Obligation Bonds	Business-type Activities General Obligation Bonds	Actual Taxable Value of Property						
2003	\$ 22,550,000	\$ 644,620	0.42%	\$ 192.09	\$ 26,191,720	\$ 810,950	\$ -	\$ -	\$ 49,552,670
2004	21,380,000	423,315	0.39%	182.12	23,047,610	-	4,300,000	-	48,727,610
2005	20,110,000	210,000	0.36%	171.30	18,722,380	-	3,646,477	56,301,645	98,780,502
2006	18,830,000	-	0.27%	148.47	14,245,754	1,500,000	2,956,233	54,170,705	91,702,692
2007	17,430,000	-	0.24%	149.90	10,241,585	3,738,526	2,246,993	65,025,606	98,682,710
2008	28,155,000	-	0.37%	215.22	3,760,000	4,658,191	1,518,235	62,619,082	100,710,508
2009	25,695,000	-	0.31%	200.27	-	6,747,474	-	59,678,400	92,120,874
2010	23,125,000	-	0.25%	178.80	-	6,009,142	-	56,888,616	86,022,758
2011	30,055,000	-	0.32%	232.49	-	5,814,142	-	54,650,743	90,519,885
2012	32,434,426	-	0.34%	248.37	-	5,619,142	-	50,397,635	88,451,203

**Schedule 9 (Continued)**  
**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Ratios of Outstanding Debt by Type (unaudited)**

**Last Ten Fiscal Years**

Fiscal Year	Other Business-Type Activities Debt				Total Business-type Activities	Total Primary Government	Percentage of Personal Income	Debt Per Capita
	Revenue Bonds	Notes Payable	Capital Lease	Contracts Payable				
2003	\$ 139,681,499	\$ 2,087,856	\$ 3,133,129	\$ -	\$ 145,547,104	\$ 195,099,774	5.96%	\$ 1,662
2004	126,669,193	1,032,585	6,435,441	-	134,560,534	183,288,144	5.46%	1,561
2005	176,661,879	754,824	1,091,638	4,359,562	183,077,903	281,858,405	8.16%	2,401
2006	206,776,414	1,140,000	-	3,566,640	211,483,054	303,185,746	7.99%	2,583
2007	197,038,605	520,000	-	2,736,055	200,294,660	298,977,370	7.98%	2,571
2008	186,593,978	-	-	1,866,018	188,459,996	289,170,504	6.71%	2,276
2009	175,862,492	-	-	3,954,654	179,817,146	271,938,020	6.19%	2,141
2010	357,487,401	-	-	4,582,404	362,069,805	448,092,563	9.94%	3,465
2011	344,469,980	-	-	1,936,803	346,406,783	436,926,668	9.63%	3,380
2012	435,825,280	-	-	1,291,202	437,116,482	525,567,685	11.35%	4,025

**Schedule 10**  
**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Direct and Overlapping Bonded Debt (unaudited)**

**June 30, 2012**

Jurisdiction	Total Assessed Value	Assessed Value Within the City	Net General Obligation Bonded Debt Outstanding <sup>1</sup>	Percentage Applicable to the City	Estimated Amount Applicable to the City
Direct:					
City of Columbia	504,572,104	504,572,104	\$ 31,505,000	100.00%	\$ 31,505,000
Overlapping					
<b>Counties:</b>					
Richland County	1,496,854,295	479,143,334	15,251,000	32.01%	4,881,848
Lexington County	1,092,397,396	25,428,770	37,959,352	2.33%	883,616
<b>School Districts:</b>					
Lexington Richland SD 5	467,186,555	44,048,250	142,250,000	9.43%	13,411,909
Richland School District One	793,458,538	424,044,505	470,550,000	53.44%	251,473,936
Richland School District Two	524,489,857	36,479,349	471,630,000	6.96%	32,802,837
<b>Special Districts:</b>					
Riverbanks Park District	2,521,474,131	504,572,104	8,795,000	20.01%	<u>1,759,967</u>
Total Direct and Overlapping Debt					<u><u>\$ 336,719,113</u></u>

Source: Richland County Treasure, Lexington County Treasurer, Richland County Auditor and Lexington County Auditor

<sup>1</sup> The estimated amount of overlapping debt applicable to the City is determined by computing the percentage of property for each government that lies within the City. The resulting percentage is then multiplied by the amount of general obligation debt of each government.

**Schedule 11**  
**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Legal Debt Margin (unaudited)**

**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Net Debt Outstanding<sup>1</sup></u>	<u>Legal Debt Margin</u>	<u>Ratio of Net Debt Outstanding to the Debt Limit</u>
2003	\$ 27,244,336	\$ 23,194,620	\$ 4,049,716	85.14%
2004	26,834,699	21,803,315	5,031,384	81.25%
2005	27,040,507	20,320,000	6,720,507	75.15%
2006	31,640,942	18,830,000	12,810,942	59.51%
2007	32,607,444	17,430,000	15,177,444	53.45%
2008	34,218,939	28,155,000	6,063,939	82.28%
2009	37,162,628	25,695,000	11,467,628	69.14%
2010	40,339,242	23,125,000	17,214,242	57.33%
2011	40,322,422	30,055,000	10,267,422	74.54%
2012	40,899,152	31,505,000	9,394,152	77.03%

Source: Richland County Auditor's Office and Lexington County Auditor's Office

<sup>1</sup> Excludes debt not applicable to the limit.

Legal Debt Margin Calculation for the Year Ended June 30, 2012:

Assessed value in Richland County	\$479,143,334
Assessed value in Lexington County	25,428,770
Subtotal	<u>504,572,104</u>
Business inventory 1987 assessed value	6,667,290
Total assessed value	<u>511,239,394</u>
	8.00%
Debt Limit	<u>40,899,152</u>
Net debt outstanding subject to the debt limit	<u>31,505,000</u>
Legal debt margin as of June 30, 2012	<u><u>\$ 9,394,152</u></u>

**Schedule 12**  
**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Certificates of Participation Debt Coverage (unaudited)**

**Last Ten Fiscal Years**

Fiscal Year	Allowable Revenues <sup>1</sup>	Debt Service Requirement			Revenue Bond Coverage
		Principal	Interest	Total	
2003	\$ -	\$ -	\$ -	\$ -	-
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	11,478,171	2,411,813	2,585,435	4,997,248	2.3
2007	11,945,776	2,080,000	2,455,630	4,535,630	2.6
2008	13,375,022	2,175,000	2,365,080	4,540,080	2.9
2009	13,026,184	2,250,000	2,274,105	4,524,105	2.9
2010	12,519,790	2,335,000	2,191,986	4,526,986	2.8
2011	12,875,743	2,480,000	2,012,205	4,492,205	2.9
2012	13,760,410	2,635,000	1,976,483	4,611,483	3.0

<sup>1</sup> As defined in the bond documents.

**Schedule 13**  
**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Water and Sewer Department**  
**Schedule of Revenue Bond Coverage (unaudited)**

**Last Ten Fiscal Years**

Fiscal Year	Allowable Revenues <sup>1</sup>	Current Operating Expenses <sup>2</sup>	Net Revenue Available for Debt Service	Debt Service Requirement				Revenue Bond Coverage
				Principal	Interest <sup>3</sup>	Net Swap Payments <sup>4</sup>	Total	
2003	\$ 78,738,660	\$ 34,344,036	\$ 44,394,624	\$ 9,033,368	\$ 11,062,110	\$ -	\$ 20,095,478	2.2
2004	77,856,380	41,513,901	36,342,479	8,969,249	11,124,590	-	20,093,839	1.8
2005	78,864,065	44,812,297	34,051,768	8,965,071	11,122,212	-	20,087,283	1.7
2006	92,726,369	51,852,947	40,873,422	14,915,000	7,052,737	-	21,967,737	1.9
2007	101,657,409	53,436,775	48,220,634	9,275,000	7,889,584	-	17,164,584	2.8
2008	118,014,221	61,347,698	56,666,523	9,865,000	7,419,673	-	17,284,673	3.3
2009	110,181,495	58,541,111	51,640,384	10,410,000	6,880,982	-	17,290,982	3.0
2010	113,389,385	76,393,887	36,995,498	11,295,000	7,673,174	(49,865)	18,918,309	2.0
2011	110,749,377	79,584,775	31,164,602	11,905,000	12,724,467	(56,216)	24,573,251	1.3
2012	115,271,396	80,373,777	34,897,619	12,150,000	13,873,881	(29,306)	25,994,575	1.3

<sup>1</sup> Represents total operating revenues as well as all nonoperating revenues and investment income.

<sup>2</sup> Represents total operating expenses less depreciation expense.

<sup>3</sup> Includes capitalized interest.

<sup>4</sup> The City has a pay fixed interest rate swap associated with the Series 2009 revenue bond.

**Schedule 14**  
**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Parking Department**  
**Schedule of Revenue Bond Coverage (unaudited)**

**Last Ten Fiscal Years**

Fiscal Year	Allowable Revenues <sup>1</sup>	Current Operating Expenses <sup>2</sup>	Net Revenue Available for Debt Service	Debt Service Requirement			Revenue Bond Coverage
				Principal	Interest <sup>3</sup>	Total	
2003	\$ 5,755,703	\$ 1,709,237	\$ 4,046,466	\$ 380,000	\$ 336,761	\$ 716,761	5.6
2004	5,630,996	1,892,203	3,738,793	395,000	316,703	711,703	5.3
2005	6,213,474	1,914,254	4,299,220	415,000	295,336	710,336	6.1
2006	5,091,104	404,645	4,686,459	440,000	2,455,384	2,895,384	1.6
2007	4,859,393	524,835	4,334,558	460,000	2,455,384	2,915,384	1.5
2008	5,765,193	1,046,949	4,718,244	740,000	2,429,153	3,169,153	1.5
2009	6,190,809	1,571,323	4,619,486	780,000	2,388,322	3,168,322	1.5
2010	4,549,663	1,616,796	2,932,867	825,000	2,344,732	3,169,732	0.9
2011	4,365,608	760,577	3,605,031	870,000	2,298,059	3,168,059	1.1
2012	4,487,992	863,010	3,624,982	310,000	2,152,618	2,462,618	1.5

<sup>1</sup> Represents total operating revenues as well as all nonoperating revenues and investment income less revenues from parking fines and late fees. Definition of allowable revenues was revised during fiscal year 2006.

<sup>2</sup> Represents total operating expenses less depreciation expense less operating expenses paid with revenues from parking fines and late fees. Definition of current operating expenses was revised during fiscal year 2006.

<sup>3</sup> Includes capitalized interest

**Schedule 15**  
**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Demographic and Economic Statistics (unaudited)**

**Last Ten Fiscal Years**

<u>Year</u>	<u>Population<sup>1</sup></u>	<u>Personal Income<sup>2</sup></u>	<u>Per Capita Personal Income</u>	<u>Public School Enrollment<sup>2</sup></u>	<u>Unemployment Rate<sup>3</sup></u>
2003	117,394	\$ 3,272,827,326	\$ 27,879	23,857	4.20%
2004	117,394	3,354,768,338	28,577	24,128	6.90%
2005	117,394	3,453,614,086	29,419	24,589	5.70%
2006	117,394	3,792,765,352	32,308	24,060	6.20%
2007	116,278	3,748,570,164	32,238	23,658	5.10%
2008	127,029	4,311,745,347	33,943	24,179	5.80%
2009	127,029	4,395,203,400	34,600	24,590	9.80%
2010	129,333	4,506,867,051	34,847	23,119	9.20%
2011	129,272	4,536,930,112	35,096	22,898	10.50%
2012	130,591	4,632,454,543	35,473	22,475	8.50%

Source of data:

- <sup>1</sup> U.S. Census Bureau
- <sup>2</sup> S.C. State Department of Education
- <sup>3</sup> S.C. Department of Employment and Workforce

**Schedule 16  
CITY OF COLUMBIA, SOUTH CAROLINA  
Principal Employers**

**Current Year and Nine Years Ago**

Employer	2012 <sup>1</sup>			2003 <sup>2</sup>		
	Employees	Rank	Percentage to Total City Employment	Employees	Rank	Percentage to Total City Employment
Palmetto Health	9,000	1	N/A	6,500	1	N/A
University of South Carolina	8,717	2	N/A	5,200	2	N/A
SC Department of Mental Health	4,917	3	N/A	1,000	9	N/A
SC Department of Transportation	4,553	4	N/A	1,000	8	N/A
Richland County School District One	4,036	5	N/A	4,000	3	N/A
SC Department of Health and Environmental Control	3,445	6	N/A	1,400	5	N/A
City of Columbia, South Carolina	2,150	7	N/A	1,800	4	N/A
Sisters of Charity Providence Hospital	2,075	8	N/A			
Richland County, South Carolina	1,708	9	N/A	1,043	7	N/A
WJBD VA Medical Center	1,457	10	N/A	1,200	6	N/A
SC Department of Social Services				700	10	N/A

Source of data:

<sup>1</sup> South Carolina Department of Employment and Workforce

<sup>2</sup> 2005 Central Midlands Council of Government Survey

N/A Data not available

**Schedule 17**  
**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Full-Time Equivalent Employees By Function/Program**

**Last Ten Fiscal Years**

Function/Program	Full-time Equivalent Employees as of June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	75.00	73.00	82.00	85.00	85.00	93.00	92.00	90.00	99.00	78.75
Judicial	47.00	50.00	49.00	50.00	49.00	57.00	61.00	58.00	58.00	62.00
Finance	34.00	27.00	34.75	41.00	53.75	51.75	52.75	55.50	52.25	53.50
Development services and planning	54.00	57.00	66.00	59.00	62.00	64.00	64.00	62.00	63.00	64.00
Public safety	699.00	739.00	735.00	711.00	767.00	941.00	965.00	1,001.00	968.00	978.00
Parks and recreation	160.00	155.00	151.00	179.00	166.50	178.00	181.00	170.00	179.00	187.00
Public works	291.00	280.00	294.50	296.00	295.00	305.00	305.00	295.00	279.00	278.00
General services	62.00	57.00	55.00	57.00	60.00	59.00	59.00	58.00	56.00	60.00
Community promotion										
County fire	-	-	-	-	-	-	-	-	216.00	217.00
Hospitality										
Victims assistance										
Community development	17.00	17.50	26.50	29.00	15.00	50.00	50.00	50.00	46.00	49.00
Public safety - grant funded										
Parking	38.00	39.00	34.00	28.00	38.00	44.75	44.75	42.75	42.75	42.75
Water and sewer	346.50	393.50	443.50	464.50	461.50	477.50	477.50	471.50	479.00	498.00
Storm water										
Parks and recreation camps									83.00	83.00
Risk management										
Support services										
Fleet management										
<b>Total</b>	<b>1,823.50</b>	<b>1,888.00</b>	<b>1,971.25</b>	<b>1,999.50</b>	<b>2,052.75</b>	<b>2,321.00</b>	<b>2,352.00</b>	<b>2,353.75</b>	<b>2,621.00</b>	<b>2,651.00</b>

Schedule 18  
**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Operating Indicators By Function/Program**

**Last Ten Fiscal Years**

Function/Program	Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Public Safety</b>										
Police physical arrests	N/A	N/A	N/A	N/A	N/A	N/A	6,418	6,734	7,259	8,024
Citations written	25,804	23,315	28,827	25,741	N/A	N/A	34,357	29,522	25,985	30,996
911 call volume	996,416	996,234	996,836	997,111	998,628	1,021,541	1,032,664	1,171,433	1,197,141	1,102,640
Fire calls answered	22,986	21,938	22,691	22,860	27,025	28,982	28,746	30,208	30,629	31,265
Number of inspections	1,990	1,664	1,761	1,740	2,049	3,630	4,410	6,943	7,911	7,726
<b>Sanitation</b>										
Refuse collected (in tons)	91,233	95,712	96,067	99,875	97,616	96,140	90,222	63,507	57,903	N/A
Recyclables collected (in tons)	4,366	4,740	3,943	3,262	3,739	3,779	3,538	3,932	4,223	N/A
<b>Fleet Management</b>										
Fleet maintained	N/A	N/A	2,425	2,664	2,934	3,164	3,329	3,668	3,925	4,055
Fleet workdays	N/A	N/A	12,347	13,074	13,909	13,385	13,747	13,336	13,309	12,901
<b>Streets and highways</b>										
Potholes repaired	N/A	N/A	N/A	1,168	1,505	1,120	2,757	1,524	1,416	920
<b>Water</b>										
Number of service connections	N/A	N/A	113,489	116,857	127,196	124,414	125,846	134,910	140,721	136,220
Average daily consumption (in millions of gallons)	N/A	N/A	3.667	4.540	3.601	3.486	4.359	3.515	3.150	3.195
<b>Sewer</b>										
Number of service connections	N/A	N/A	63,235	61,248	65,848	67,786	68,550	74,865	69,199	69,508
Average daily treatment (in millions of gallons)	N/A	N/A	1.466	1.417	1.394	1.265	1.357	1.394	1.344	1.520
<b>Economic development</b>										
Permits issued	7,746	7,762	6,042	6,023	5,697	4,667	4,404	4,204	4,129	4,181
Building inspections	21,671	14,541	15,807	12,355	11,932	11,612	9,472	10,544	40,018	10,277

**Schedule 19**  
**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Capital Asset Statistics By Function**

**Last Ten Fiscal Years**

Function/Program	Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Police</b>										
Police stations	27	27	20	24	24	22	14	14	14	16
Patrol units										
Vehicles	N/A	N/A	92	138	155	206	233	244	305	371
<b>Fire</b>										
Fire stations	11	11	11	11	11	11	12	12	12	12
Vehicles	N/A	N/A	115	144	180	194	210	215	219	236
<b>Public works</b>										
Vehicles	N/A	N/A	325	376	422	457	486	518	553	603
Streets (miles)	219.00	219.00	219.00	219.00	219.00	219.00	219.00	219.00	220.00	220.00
Sidewalks (miles)	120.25	120.25	120.25	120.25	120.45	120.45	120.45	120.45	120.45	139.56
Traffic signals	261	261	261	261	261	262	262	262	262	265
Street lights	8,075	8,251	8,557	9,030	9,067	9,250	9,437	9,859	10,190	10,325
<b>Parks and recreation</b>										
Parks - acreage	537.35	537.35	597.85	597.85	597.85	597.85	600.00	600.00	600.00	600.00
Park facilities	57.00	57.00	58.00	58.00	58.00	58.00	59.00	59.00	59.00	60.00
Tennis courts	38.00	38.00	54.00	54.00	54.00	54.00	54.00	54.00	54.00	54.00
Swimming pools/splash pads	3.00	2.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00
Playground	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	31.00
<b>Parking</b>										
Garages	6	6	6	6	7	7	8	8	8	9
Lots	2	4	5	5	5	5	5	5	5	5
Metered spaces	4,205	4,220	4,322	4,333	4,604	4,602	4,703	4,736	4,728	4,704
<b>Stormwater</b>										
Storm drains (miles)	137.00	137.00	137.00	137.00	137.00	137.00	137.00	137.00	137.00	137.00
Vehicles	N/A	N/A	N/A	N/A	54	55	55	70	67	69
<b>Wastewater</b>										
Sanitary sewer (miles)	7.24	14.40	18.30	992.70	1,002.50	1,036.90	1,047.97	1,053.75	1,100.00	1,108.50
Vehicles			135	143	161	183	200	212	278	331
Treatment plants	1	1	1	1	1	1	1	1	1	1
<b>Solid Waste</b>										
Vehicles	N/A	N/A	53	62	73	85	94	95	117	128
<b>Water</b>										
Water lines (miles)	41.23	35.50	35.40	1,837.70	1,887.10	1,935.69	1,954.68	1,966.58	1,966.58	1,978.45
Vehicles			125	138	178	209	228	237	256	281
Fire hydrants	159	254	289	6,189	3,063	3,307	5,200	5,300	5,300	5,350
Treatment plants	2	2	2	2	2	2	2	2	2	2

Vehicle total includes both licensed and unlicensed vehicles