

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**CITY OF COLUMBIA, SOUTH CAROLINA**

**FISCAL YEAR ENDED JUNE 30, 2013**

**City Manager  
Teresa B. Wilson**

**Chief Financial Officer  
Jeffery M. Palen**

**Deputy Finance Director  
Jan Alonso CGFO**

**Prepared by the  
Finance Department**

## TABLE OF CONTENTS

**CITY OF COLUMBIA, SOUTH CAROLINA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2013**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

Letter of Transmittal	1
City Leaders	5
Organizational Charts	6

**FINANCIAL SECTION**

Independent Auditors' Report	8
Management's Discussion and Analysis – Unaudited	10

**Basic Financial Statements**

Government-wide Financial Statements	
Statement of Net Position	26
Statement of Activities	28

**Fund Financial Statements**

Balance Sheet – Governmental Funds	29
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	30
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	31
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Statement of Net Position – Proprietary Funds	33
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	35
Statement of Cash Flows – Proprietary Funds	36
Statement of Net Position – Fiduciary Funds	38
Statement of Changes in Net Position – Fiduciary Funds	39
Discretely Presented Component Units	
Combining Statement of Net Position – Business-Type Activity Discretely Presented Component Units	40
Combining Statement of Activities – Business-Type Activity Discretely Presented Component Units	42

Notes to Financial Statements	43
-------------------------------	----

**Required Supplementary Information**

Schedules of Funding Progress and Employer Contributions – Other Postemployment Benefits (Unaudited)	84
Budgetary Comparison Schedule – General Fund (Unaudited)	85
Notes to Budgetary Comparison Schedule (Unaudited)	86

**TABLE OF CONTENTS**  
**(Continued)**

**FINANCIAL SECTION (Continued)**

**Supplementary Information**

**Combining and Individual Fund Statements and Schedules**

Schedule of Revenues and Other Financing Sources – Budget and Actual – General Fund	87
Schedule of Expenditures and Other Financing Uses – Budget and Actual – General Fund	90
Combining Balance Sheet – Nonmajor Governmental Funds	97
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	99
Combining Statement of Net Position – Nonmajor Proprietary Funds	101
Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Proprietary Funds	102
Combining Statement of Cash Flows – Nonmajor Proprietary Funds	103
Combining Statement of Net Position – Internal Service Funds	105
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds	106
Combining Statement of Cash Flows – Internal Service Funds	107
Statement of Changes in Assets and Liabilities – Agency Fund	108

**Other Schedule**

Schedule of Fines, Assessments and Surcharges	109
-----------------------------------------------	-----

**STATISTICAL SECTION (UNAUDITED)**

Schedule 1 – Net Position by Component	110
Schedule 2 – Changes in Net Position	111
Schedule 3 – Fund Balances – Governmental Funds	113
Schedule 4 – Changes in Fund Balances – Governmental Funds	114
Schedule 5 – Assessed Value and Estimated Actual Value of Taxable Property	115
Schedule 6 – Direct and Overlapping Property Tax Rates	116
Schedule 7 – Principal Property Taxpayers	117
Schedule 8 – Property Tax Levies and Collections	118
Schedule 9 – Ratios of Outstanding Debt by Type	119
Schedule 10 -- Ratios of General Bonded Debt Outstanding	121
Schedule 11 – Direct and Overlapping Bonded Debt	122
Schedule 12 – Legal Debt Margin	123
Schedule 13 – Certificates of Participation Debt Coverage	124
Schedule 14 – Water and Sewer Department – Schedule of Revenue Bond Coverage	125
Schedule 15 – Parking Department – Schedule of Revenue Bond Coverage	126
Schedule 16 – Demographic and Economic Statistics	127
Schedule 17 – Principal Employers	128
Schedule 18 – Full-Time Equivalent Employees by Function/Program	129
Schedule 19 – Operating Indicators by Function/Program	130
Schedule 20 – Capital Asset Statistics by Function	131

## **INTRODUCTORY SECTION**



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## We Are Columbia

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January 17, 2014

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

Ladies and Gentlemen:

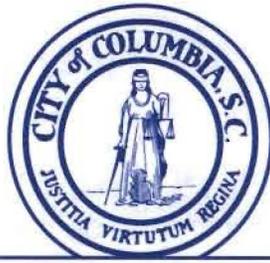
We are pleased to present the Comprehensive Annual Financial Report ("CAFR") of the City of Columbia, South Carolina (the "City") for the fiscal year ended June 30, 2013. South Carolina law requires that all local governments publish a complete set of audited financial statements, presented in conformity 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, 2013, 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 unmodified opinion that the City's financial statements for the year ended June 30, 2013, 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.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Columbia's MD&A can be found in the Financial Section of the CAFR.

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).



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**We Are Columbia**

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### **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 134.94 square miles with a population estimated at 132,000 in the City and 785,000 within the metropolitan statistical area according to the 2012 United States Census. Columbia is also combined with the Newberry micropolitan area to form the Columbia-Newberry Combined Statistical area which has approximately 914,000 people according to the 2012 Census and is the second-largest 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 even 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.

### **Budget Process**

South Carolina law requires that the City adopt, by ordinance, a balanced budget. The preparation of the budget is the responsibility of the City Manager who has a duty to present a budget that reflects the priorities set by City Council. The City's budget process begins in November for the forthcoming year which runs from July 1<sup>st</sup> to June 30<sup>th</sup>. In November the departments begin to prepare operational plans. In December budget preparation materials are distributed to the departments. In February budgets are submitted and reviewed by City staff. The budget review continues through March. In April budgets are presented to council. In May public hearings on the budget are held. In June first and second reading of the budget is held. Appropriations for capital projects are adopted by the City Council primarily on an individual basis, when the project is initially approved.



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## We Are Columbia

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### **Economic & Community Development**

To promote economic development in underdeveloped areas and to aid its lower income citizens in obtaining safe and affordable housing, the City uses its Redevelopment Program fund and Economic Development fund. 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. Public transportation initiatives will also play a vital role in ensuring continued building and investing in the City.

### **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.

In fiscal year 2013 jobs in the City increased by 1.3%. Retail sales increased by 4.3% in the Columbia area during the period ended October 31, 2013. The number of residential building permits in the Columbia area increased by 15.3% compared to the prior year.

### **Major Initiatives and Financial Planning**

In an effort to improve public safety the City installed 263 security cameras in strategic locations of the City. Firefighters have been trained to drive ambulances in emergency situations and have been certified as Emergency Medical Technicians. The police department has integrated new data-drive policing technology in its efforts to reduce crime. The department has also replaced aging police and fire vehicles and formed a new crime analysis department. As a result of these efforts violent crime has decreased 12.6% during the period 2010 through 2012. Aggravated assault is down 23.5% during the same period.

The City's efforts to revitalize Main Street began to pay off in fiscal year 2013. In its September 2013 issue Kiplinger's Personal Finance magazine listed Columbia as one of the ten best small to midsize cities to live based on its good jobs, affordable homes, decent schools, great health care and quality of life. The magazine noted Columbia's downtown area combines historic facades with hip boutiques and eateries.

Agape' Senior, a company providing a statewide network of healthcare related services, announced its plans during fiscal year 2013 to invest approximately eight million dollars in the renovation of three historic spaces built in the 1920s and 1930s on the 1600 block of Main Street. Plans are for the renovated facilities to house Agape' Senior's corporate headquarters, a primary health clinic for senior citizens, a vegan café, a fitness center, a pharmacy, and a conference center. AllSouth Federal Credit Union began construction on its new corporate headquarters and operations center on Elmwood Avenue. This \$13.6 million investment is expected to create approximately a hundred jobs. Marriott announced plans to invest approximately twelve million dollars in renovations to its downtown hotel located on Main Street. The Hub



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We Are Columbia

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(formerly the Palmetto Center) on Main Street is being renovated at an estimated cost of approximately forty million dollars. Once renovations are complete, The Hub is expected to house 850 University of South Carolina students.

The City expended over 80 million dollars in capital improvements and major maintenance during the fiscal year 2013. The bulk of these expenditures occurred in the water and sewer fund.

Although there was little change in the assessed values of properties during fiscal year 2013, 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, an increase in hydrant fee rates and increased collection of license and permit fees resulted in a General Fund operating surplus of approximately \$9,395,800.

#### **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 30, 2013**

**Mayor**

Stephen K. Benjamin

**Council Members**

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

Sam Davis  
Brian DeQuincey Newman  
Moe Baddourah  
Leona Plough  
Tameika Isaac-Devine  
Cameron Runyan

**City Manager**

Teresa Wilson

**Assistant City Managers**

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

S. Allison Baker  
Melissa Gentry-Smith, P.E  
Vacant  
Jeff Palen.

**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  
Vacant  
Kimberly Gathers  
Vacant  
Aubrey Jenkins  
David Knoche  
Vacant  
Pamela Benjamin  
Sylvia White (interim)  
Tina Herbert  
Jeff Caton  
Ruben Santiago (interim)  
Leshia Utsey  
Robert Anderson  
Joseph Jaco

**Development Corporation Directors**

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

Fred Delk  
Gloria Saeed  
Michael Strange

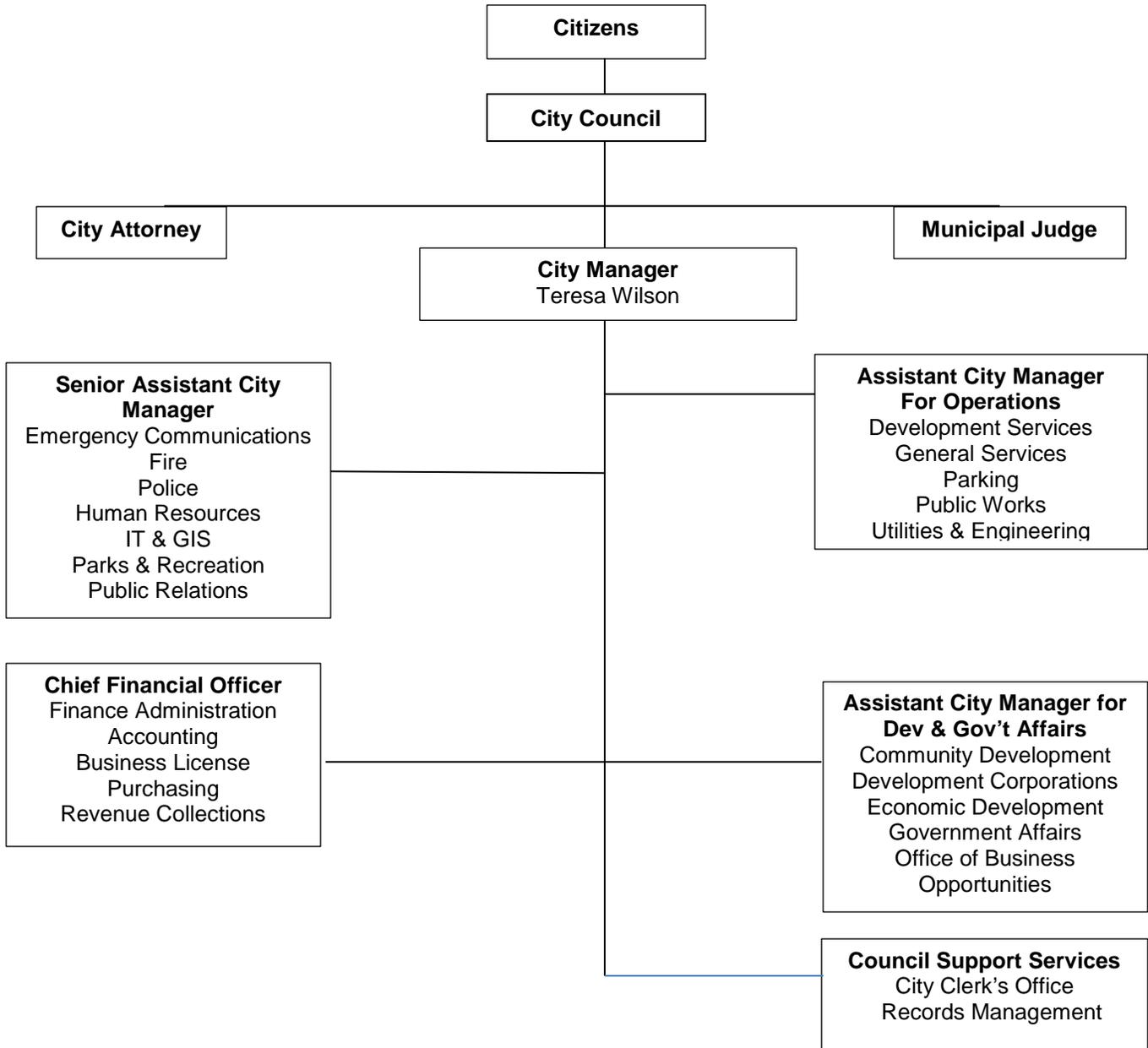
**Other Directors**

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

Felicia Maloney  
Ric Luber

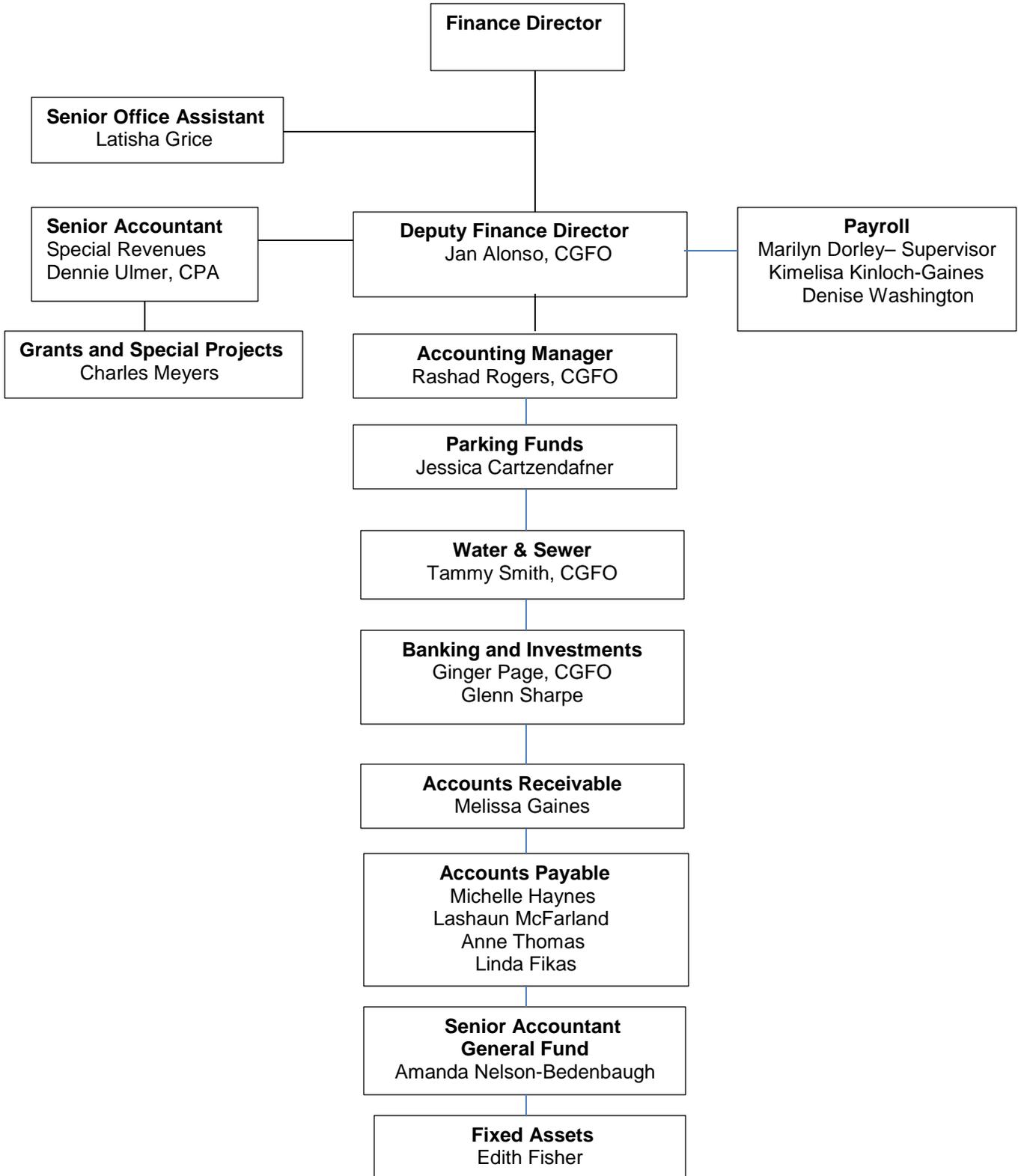
**CITY OF COLUMBIA, SOUTH CAROLINA  
Organizational Chart**

As of June 30, 2013



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

**As of June 30, 2013**



## **FINANCIAL SECTION**

## Independent Auditors' Report

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

### Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Midlands Authority for Conventions, Sports, and Tourism, a discretely presented component unit of the City of Columbia, which represent 31.83%, 46.09%, and 73.69%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Midlands Authority for Convention, Sports and Tourism is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above 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, 2013, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### 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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Columbia, South Carolina

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[www.websterrogers.com](http://www.websterrogers.com)

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis; Budgetary Comparison Schedule – General Fund; and Schedules of Funding Progress and Employer Contributions – Other Postemployment Benefits, as listed in the 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.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, 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. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements and schedules and supplementary information are fairly stated, in all material respects, in relation to the basic 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.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2014, 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* in considering the City's internal control over financial reporting and compliance and should be read in conjunction with this report in assessing the results of our audit.



Columbia, South Carolina  
January 16, 2014

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2013**

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, 2013, as part of the overall Comprehensive Annual Financial Report (CAFR). This overview compares the year ended June 30, 2013, with the year ended June 30, 2012. Readers are encouraged to consider the information presented here, in conjunction with the letter of transmittal, which can be found on the pages indicated in the table of contents 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 and deferred outflows of the City exceeded its liabilities at the close of 2013 by \$834,061,240. This amount represents the City's net position. Of this amount, \$269,548,526 in unrestricted net position may be used to meet the City's ongoing obligations.
- The City's total net position increased by \$31,008,436 (\$5,567,256 from governmental activities and \$25,441,180 from business-type activities) or 4.07% compared to 2012, as total revenues of \$310,513,765 exceeded total expenses of \$279,505,329.
- As of June 30, 2013, the City's governmental funds reported combined ending fund balances of \$63,796,010. The unrestricted General Fund balance of \$24,540,587 is available for spending at the City's discretion and represents approximately 21.20% of the General Fund's actual expenditures and transfers out for the year ended June 30, 2013.
- The City's total capital assets were \$960,292,185 as of June 30, 2013, increasing \$46,753,232 (5.12%). This increase was the result of additions of \$12,452,204 in governmental activities and \$76,820,140 in business type activities offset by depreciation expense and net disposals of \$11,375,708 in governmental activities and \$30,551,264 in business-type activities.
- The City's long-term debt, including contracts payable at June 30, 2013, totaled \$513,045,572, a net decrease of \$10,636,749 or 2.07% from the balance at June 30, 2012, of \$523,682,321. This net decrease was the result of \$8,260,000 in principal payments and \$23,915,684 in defeased and redeemed debt through the payment to a refunding bond escrow agent, which was partially offset by the issuance of refunding debt of \$24,260,000. The City also received proceeds of \$6,776,659 (including a premium of \$401,659) from the issuance of additional general obligation debt. Principal payments of \$7,435,000 were made on business-type activity revenue bonds. Principal payments of \$645,601 were made on business-type contracts payable.
- As of June 30, 2013, the City's General Obligation bonds were rated AA by Standard and Poor's and AA1 by Moody's. The City's Water and Sewer Facilities revenue bonds were rated AA by Standard and Poor's and AA1 by Moody's. The City's Parking Facilities revenue bonds were rated BBB+ by Standard and Poor's and A2 by Moody's. In November 2013, Moody's upgraded their rating on General Obligation bonds to AA+.

### **Using This Annual Report**

This discussion and analysis is intended to serve as an introduction to the City of Columbia's financial statements. This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on the pages identified in the table of contents) 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 29. 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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2013**

benefit of those outside the government. In addition to the financial statements, this report contains other supplementary information that will enhance the reader's understanding of the financial condition of the City of Columbia.

**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 Position presents information on all of the City's assets, liabilities, deferred outflows, and deferred inflows with the difference between all of the items reported as Net Position. 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 position changed during the most recent fiscal year. All changes in net position 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. Governmental activities are financed primarily through property taxes, business licenses and permits, and federal and state grants.

The business-type activities of the City include Water and Sewer, Parking, Stormwater, Hydro-Electric, Redevelopment Programs, Parks and Recreation Camps, and Economic Development. These activities are financed in whole or in part primarily through fees charged to external parties for goods and services.

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; TN Development Corporation, and the Columbia Empowerment Zone, Inc., for which the City is financially accountable. 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** – 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, like other state and local governments, 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. Our analysis of the City's major funds begins on page 21. The fund financial statements beginning on page 29 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.

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2013**

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 position 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 governmental 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.

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 system, Stormwater system, Hydro-electric plant, Redevelopment Programs, Parks and Recreation camps, and Economic Development activities.

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 position and change in net position 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 seven 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 five 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. Because the internal funds predominately benefit governmental rather than business-type activities, the internal service funds have been included within the governmental activities in the government-wide statements. The proprietary fund financial statements follow the governmental fund financial statements.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2013**

**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. Trust funds are used to account for resources received and held by the City as trustee. 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.

**Financial Analysis – Government-wide Statements**

As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceed liabilities by \$834,061,240 as of June 30, 2013. The City's overall financial position improved and net position increased by \$31,008,436, or 3.86%, during the year ended June 30, 2013. This increase is primarily the result of a five percent increase in water rates and a one-time gain of approximately \$11,000,000 resulting from the sale of a portion of the City's sewer system in the business-type activities. A portion of this gain has been deferred subject to the occurrence of certain future events. In the governmental activities, the increase in collections from business licenses and hydrant fees was offset by a decrease in collection of sales taxes and general property taxes. Table 1 summarizes the major categories of assets, liabilities, and net position for governmental activities, business type activities, and the City as a whole.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2013**

**Table 1**  
**City of Columbia**  
**Statement of Net Position**  
**As of June 30, 2013 and June 30, 2012**

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2013	As of June 30, 2012	As of June 30, 2013	As of June 30, 2012	As of June 30, 2013	As of June 30, 2012
Current and other assets	\$161,315,657	\$155,871,809	\$342,567,439	\$404,576,324	\$503,883,096	\$560,448,133
Capital assets, net of depreciation	215,709,852	214,633,356	744,582,333	698,905,597	960,292,185	913,538,953
Total assets	<u>377,025,509</u>	<u>370,505,165</u>	<u>1,087,149,772</u>	<u>1,103,481,921</u>	<u>1,464,175,281</u>	<u>1,473,987,086</u>
Deferred outflow s of resources	2,427,262	-	19,309,536	-	21,736,798	-
Total assets and deferred outflow s of resources	<u>379,452,771</u>	<u>370,505,165</u>	<u>1,106,459,308</u>	<u>1,103,481,921</u>	<u>1,485,912,079</u>	<u>1,473,987,086</u>
Long-term liabilities outstanding	139,689,407	138,640,811	452,655,773	474,067,021	592,345,180	612,707,832
Other liabilities	30,703,232	28,371,478	28,802,427	29,854,972	59,505,659	58,226,450
Total liabilities	<u>170,392,639</u>	<u>167,012,289</u>	<u>481,458,200</u>	<u>503,921,993</u>	<u>651,850,839</u>	<u>670,934,282</u>
Net position						
Net investment in capital assets	155,118,428	155,989,971	373,649,773	389,423,595	528,768,201	545,413,566
Restricted	26,429,362	26,755,353	9,315,421	9,292,810	35,744,783	36,048,163
Unrestricted	<u>27,512,342</u>	<u>20,747,552</u>	<u>242,035,914</u>	<u>200,843,523</u>	<u>269,548,256</u>	<u>221,591,075</u>
Total net position	<u>\$209,060,132</u>	<u>\$203,492,876</u>	<u>\$625,001,108</u>	<u>\$599,559,928</u>	<u>\$834,061,240</u>	<u>\$803,052,804</u>

As of June 30, 2013, 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 position, \$528,768,201 (63.40%), 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 position, \$35,744,783 (4.29%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$269,548,256 (32.31%) in unrestricted net position may be used to meet the ongoing obligations of the City.

For governmental activities, the City reported a positive balance in unrestricted net position of \$27,512,342. For business-type activities, the City reported a positive balance in unrestricted net position of \$242,035,914. The City reported a positive balance of \$24,540,587 in unrestricted fund balance (committed plus assigned plus unassigned fund balance) for the general fund as of June 30, 2013.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2013**

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 position 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.

Revenue for the City for the year ended June 30, 2013, which totaled approximately \$310,514,000, increased slightly from the year ended June 30, 2012, as the economic struggles continued. The increase for the City as a whole was approximately \$25,833,600, which was an increase of 9.07%. Revenues for the business-type activities increased approximately \$24,192,200 (15.49%). Water and sewer operating revenues increased approximately \$8,973,000 (7.96%). This was primarily the result of a rate increase of approximately 5% that went into effect on July 1, 2012. Stormwater revenues increased approximately \$1,825,000 (37.54%) due to a significant rate increase that went into effect July 1, 2012. Other business type operating revenues were virtually unchanged when compared to the year ended June 30, 2012. These revenues were enhanced by a gain of approximately \$13,300,000, a portion of which was deferred, realized by the water and sewer fund on the sale of a portion of the sewer system to a private contractor. Revenue from governmental activities for the year ended June 30, 2013, which totaled approximately \$154,348,600, was virtually unchanged from the year ended June 30, 2012. The overall increase of approximately \$1,641,300 represented an increase of approximately 1%. General property taxes decreased by approximately \$1,368,800 (3.82%) when compared to the year ended June 30, 2012. This resulted from people not trading vehicles as often as they had done in the past due to the weak economy. Local Option Sales Tax revenue increased approximately \$907,700 (6.10%) as the City increased the amount of credit given to the local property owner on their property tax bill. There was a decrease of approximately \$2,717,900 (19.12%) in sales tax collected as the economy and retail sales continued to struggle. Hydrant fees increased by approximately \$4,800,000 as the rate charged doubled effective July 1, 2012. The City also realized an increase of approximately \$1,900,000 in business license fees and construction permit fees as revitalization efforts in the downtown area began to pay off in the form of additional business and construction in the downtown area. There was an overall decrease of approximately \$2,817,000 in grant revenue as several ARRA funded grants and a streetscaping grant expired during the prior year. Interest income continued to decline due to low interest rates.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2013**

**Table 2**  
**City of Columbia's**  
**Changes in Net Position**  
**Years Ended June 30, 2013 and June 30, 2012**

	Governmental Activities		Business-type Activities		Total Primary Government	
	Year Ended June 30, 2013	Year Ended June 30, 2012	Year Ended June 30, 2013	Year Ended June 30, 2012	Year Ended June 30, 2013	Year Ended June 30, 2012
Revenues:						
Program revenues						
Charges for services						
General government	\$ 940,028	\$ 771,459	\$ -	\$ -	\$ 940,028	\$ 771,459
Finance	30,505,679	28,328,937	-	-	30,505,679	28,328,937
Community development	793,431	721,425	-	-	793,431	721,425
Public safety	21,387,115	16,154,103	-	-	21,387,115	16,154,103
Parks and recreation	728,247	583,471	-	-	728,247	583,471
Public services	247,570	350,100	-	-	247,570	350,100
Water/sewer facilities	-	-	121,723,711	112,750,717	121,723,711	112,750,717
Hydro-electric plant	-	-	2,731,475	2,622,234	2,731,475	2,622,234
Stormwater facilities	-	-	6,685,838	4,861,153	6,685,838	4,861,153
Parking facilities	-	-	6,864,323	6,520,866	6,864,323	6,520,866
Redevelopment programs	-	-	921,759	599,950	921,759	599,950
Parks and recreation camps	-	-	253,150	262,582	253,150	262,582
Operating grants and contributions						
General government	1,367,943	1,827,004	-	-	1,367,943	1,827,004
Community development	4,109,027	4,358,893	-	-	4,109,027	4,358,893
Public safety	22,752,780	22,041,771	-	-	22,752,780	22,041,771
Parks and recreation	-	234,094	-	-	-	234,094
Public services	291,335	288,908	-	-	291,335	288,908
Community promotion	5,180,687	4,951,398	-	-	5,180,687	4,951,398
Capital grants and contributions						
General government	457,500	1,980,591	-	-	457,500	1,980,591
Public services	838,165	2,131,859	-	-	838,165	2,131,859
Water/sewer facilities	-	-	5,831,240	4,066,060	5,831,240	4,066,060
General revenues						
General property taxes	34,462,835	35,831,679	-	-	34,462,835	35,831,679
Local Option Sales Tax	15,781,749	14,874,049	-	-	15,781,749	14,874,049
Sales taxes	11,498,370	14,216,318	-	-	11,498,370	14,216,318
Motor fuel taxes	3,566	3,436	-	-	3,566	3,436
State shared revenue	2,788,097	2,363,791	-	-	2,788,097	2,363,791
Unrestricted investment earnings	26,022	537,702	231,513	2,899,062	257,535	3,436,764
Gain (loss) on disposal of capital assets	188,511	156,323	10,922,099	(2,609,759)	11,110,610	(2,453,436)
<b>Total revenues</b>	<b>\$154,348,657</b>	<b>\$152,707,311</b>	<b>\$156,165,108</b>	<b>\$131,972,865</b>	<b>\$310,513,765</b>	<b>\$284,680,176</b>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2013**

**Table 2**  
**City of Columbia's**  
**Changes in Net Position (Continued)**  
**Years Ended June 30, 2013 and June 30, 2012**

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	Year Ended June 30, 2013	Year Ended June 30, 2012	Year Ended June 30, 2013	Year Ended June 30, 2012	Year Ended June 30, 2013	Year Ended June 30, 2012
<b>Expenses:</b>						
General government	\$ 17,577,215	\$ 10,877,738	\$ -	\$ -	\$ 17,577,215	\$ 10,877,738
Judicial	2,601,919	2,447,105	-	-	2,601,919	2,447,105
Finance	2,051,555	2,348,922	-	-	2,051,555	2,348,922
Community development	5,855,023	4,760,642	-	-	5,855,023	4,760,642
Public safety	73,682,870	75,783,788	-	-	73,682,870	75,783,788
Parks and recreation	11,329,817	9,912,910	-	-	11,329,817	9,912,910
Public services	23,483,659	24,168,009	-	-	23,483,659	24,168,009
General services	4,540,814	4,193,394	-	-	4,540,814	4,193,394
Community promotion	11,915,733	11,899,487	-	-	11,915,733	11,899,487
Interest on long-term debt	3,027,411	2,366,916	-	-	3,027,411	2,366,916
Non-departmental	2,455,260	2,401,408	-	-	2,455,260	2,401,408
Water/sewer facilities	-	-	107,410,948	106,594,059	107,410,948	106,594,059
Hydro-electric plant	-	-	1,544,804	1,547,093	1,544,804	1,547,093
Stormwater facilities	-	-	4,692,223	4,595,847	4,692,223	4,595,847
Parking facilities	-	-	6,330,524	6,336,721	6,330,524	6,336,721
Redevelopment programs	-	-	734,283	1,966,452	734,283	1,966,452
Parks and recreation camps	-	-	271,271	305,939	271,271	305,939
<b>Total expenses</b>	<b>158,521,276</b>	<b>151,160,319</b>	<b>120,984,053</b>	<b>121,346,111</b>	<b>279,505,329</b>	<b>272,506,430</b>
Increase (decrease) in net position before transfers	(4,172,619)	1,546,992	35,181,055	10,626,754	31,008,436	12,173,746
Transfers	9,739,875	7,826,063	(9,739,875)	(7,826,063)	-	-
<b>Increase (decrease) in net position</b>	<b>5,567,256</b>	<b>9,373,055</b>	<b>25,441,180</b>	<b>2,800,691</b>	<b>31,008,436</b>	<b>12,173,746</b>
Net position, beginning of period	203,492,876	194,119,821	599,559,928	596,759,237	803,052,804	790,879,058
<b>Net position, end of period</b>	<b>\$209,060,132</b>	<b>\$203,492,876</b>	<b>\$625,001,108</b>	<b>\$599,559,928</b>	<b>\$834,061,240</b>	<b>\$803,052,804</b>

Total expenses for the City were approximately \$279,505,300 for the year ended June 30, 2013. This represents an increase of approximately \$6,998,900 (2.57%) when compared to the year ended June 30, 2012. Most of this increase is related to higher personnel related costs incurred. Continued monitoring of costs by management during the year ended June 30, 2013, enabled the City to manage overall costs for all departments. Expenses for business-type activities decreased by approximately \$362,000, or 0.30%, compared to the year ended June 30, 2012. The decrease in expenses was primarily due to continued cost monitoring by management and less repair and maintenance expense in the water and sewer fund as the completion of major construction project upgrades have decreased the repairs to the system required in recent years. The expenses for the redevelopment programs decreased by approximately \$1,232,200, or 167.81%, compared to the year ended June 30, 2012. This was largely due to the fact there was a significant amount of loan write-offs in 2012. The expenses for the remaining programs remained virtually unchanged compared to the year ended June 30, 2013.

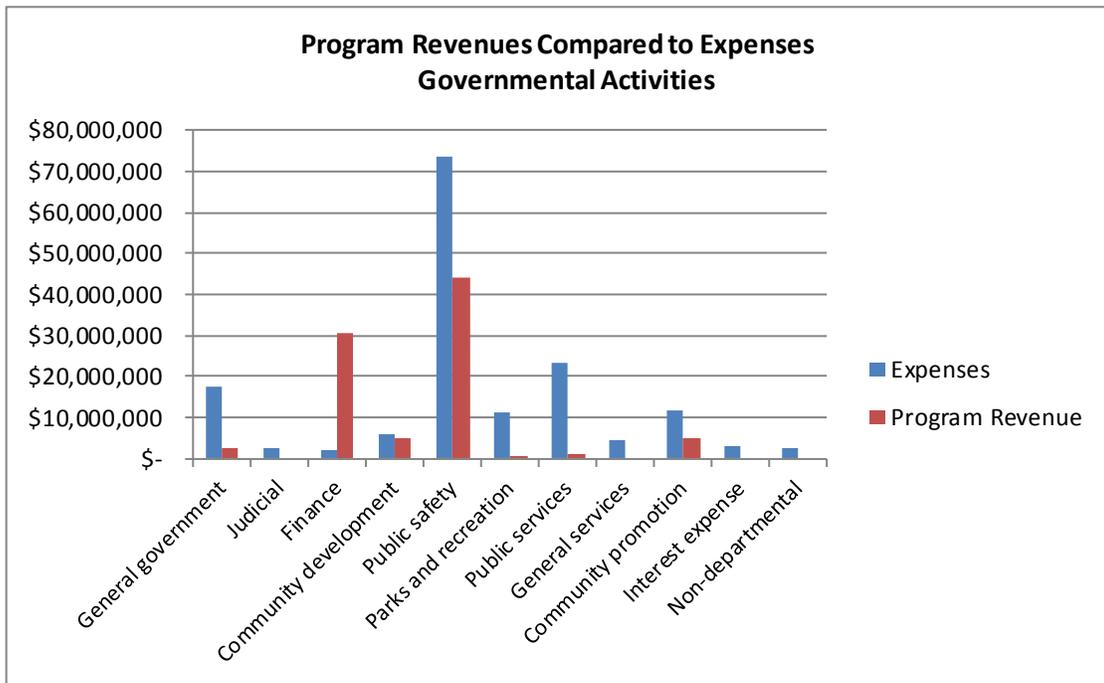
The City's net position increased by \$31,008,436, or 3.92%, during the year ended June 30, 2013. The net position for governmental funds increased by \$5,567,256, or 2.74%, while the change in net position of business-type funds increased by \$25,441,180, or 4.07%. This overall increase is almost entirely due to the water and sewer rate increase, the stormwater rate increase, an increase in water and sewer infrastructure contributed to the City and the gain resulting from the sale of a portion of the sewer system. Slight increases were shown by the remaining enterprise funds, with the exception of the Parks and Recreation Camp fund which showed a slight decrease. The increase was offset by decreases in investment income of approximately \$2,667,500 in the

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2013**

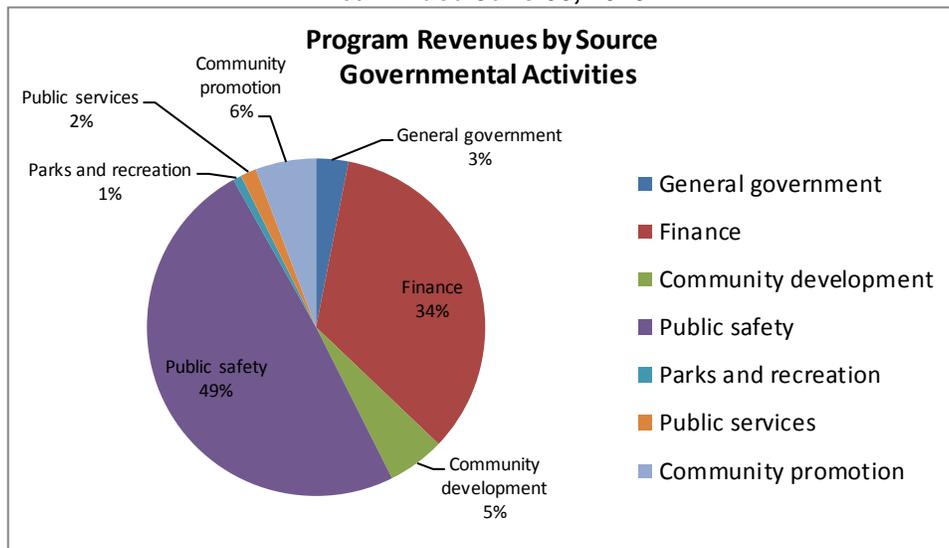
business-type activities due to higher yielding investments maturing and being replaced with lower yielding investments, less money to invest as bond proceeds were spent on construction projects and the volatility of the bond market during June 2013.

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

**Figure 1**  
**Program Revenues Compared to Expenses**  
**Governmental Activities**  
**Year Ended June 30, 2013**



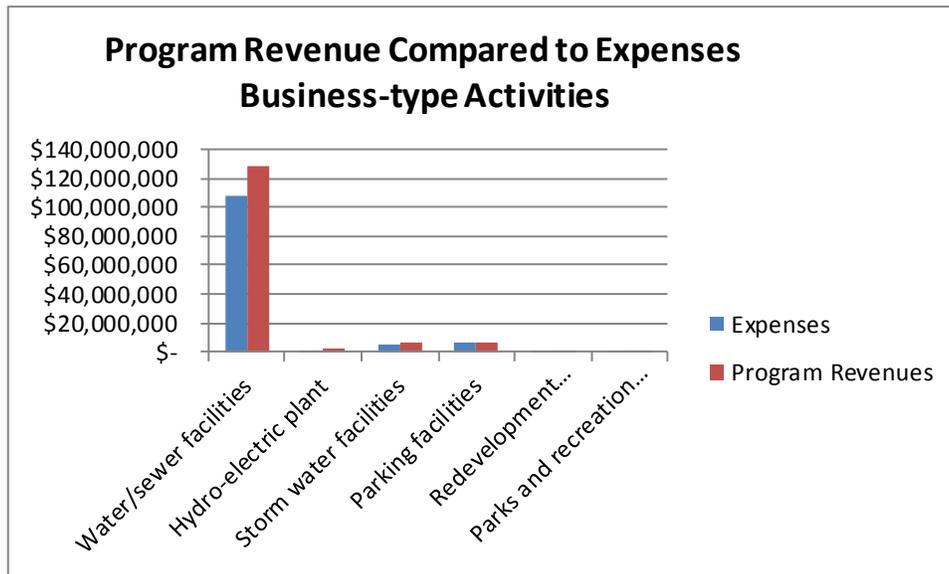
**Figure 2**  
**Program Revenues by Source**  
**Governmental Activities**  
**Year Ended June 30, 2013**



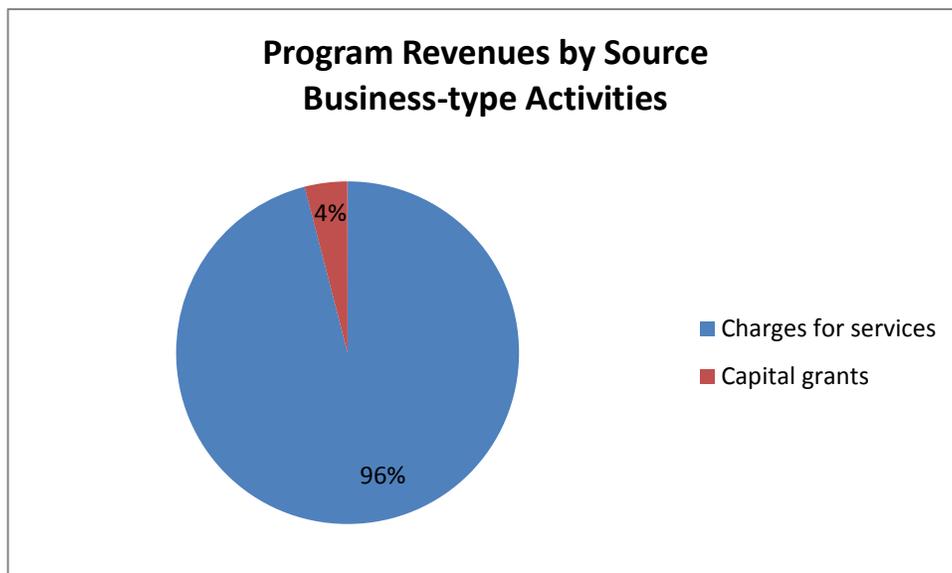
**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2013**

**Business-type Activities** – The net position of the City's business-type activities increased by approximately \$25,441,180 for the year ended June 30, 2013. This growth is primarily 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**  
**Program Revenue Compared to Expenses for Business-type Activities**  
**Year Ended June 30, 2013**



**Figure 4**  
**Program Revenues by Source for Business-type Activities**  
**Year Ended June 30, 2013**



**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2013**

**Water and Sewer Facilities Fund** – The net position for the water and sewer facilities fund for the year ended June 30, 2013, increased by approximately \$24,942,200, or 4.89%.

**Table 3**  
**Water and Sewer Facilities Fund Revenues and Expenses**  
**Years Ended June 30, 2013 and June 30, 2012**

	Year Ended June 30,	
	2013	2012
<b>Revenues</b>		
Total operating revenues	\$ 121,585,575	\$ 112,627,616
Non-operating revenues	11,268,394	1,259,491
Development contributions	5,831,240	4,066,060
Total revenues	<u>138,685,209</u>	<u>117,953,167</u>
<b>Expenses</b>		
Total operating expenses	96,838,580	102,436,802
Interest and amortization expense	9,253,470	4,020,683
Transfers, net	7,650,952	7,431,664
Total expenses	<u>113,743,002</u>	<u>113,889,149</u>
Change in net position	<u>\$ 24,942,207</u>	<u>\$ 4,064,018</u>

Total operating revenues, which primarily consist of water and sewer fees, increased by approximately \$8,958,000, or 7.95%, to \$121,585,575. The increase in operating revenues was due primarily to a 5% water and sewer rate increase that became effective July 1, 2012. Non-operating revenue increased by approximately \$10,009,000 due primarily to the sale of a portion of the sewer system to a private contractor. Contributed infrastructure revenue increased approximately \$1,765,000 from the year ended June 30, 2012, as the construction industry began to rebound. Total revenues for the year ended June 30, 2013, increased approximately \$20,732,000, or 17.58%, to \$138,685,209.

Total operating expenses decreased by approximately \$5,598,200, or 5.47%, to \$96,838,580 when compared to the year ended June 30, 2012. This decrease was primarily the result of decrease in repair expenses to the system in fiscal 2013. This decrease in repair cost was attributable to the completion of some major upgrades to the aging water and sewer infrastructure system. The increase in operating revenues exceeded the increase in operating expenses resulting in an operating margin increase of approximately \$14,556,200 compared to the year ended June 30, 2012.

Interest expense increased by approximately \$5,232,800 as less interest expense was capitalized on construction in progress balances and more was charged to current operations as construction projects funded by bond proceeds were being completed. Net transfers in fiscal year 2013 were virtually unchanged from fiscal year 2012. Total expenses decreased by approximately \$145,800, or 0.13%, to \$113,743,300. The increase in water and sewer fee revenues, the increase in developer's infrastructure contributions, and the sale of a portion of the sewer system, along with the increase in net interest expense, were the primary reasons change in net position increased by \$24,942,207 for the year ended June 30, 2013.

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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2013**

**Table 4**  
**Parking Facilities Fund Revenue and Expenses**  
**Years Ended June 30, 2013 and June 30, 2012**

	Year Ended June 30,	
	2013	2012
<b>Revenues</b>		
Total operating revenues	\$ 6,685,850	\$ 6,416,016
Non-operating revenues	226,135	254,899
Gain (loss) on sale of assets	(177,204)	(1,356,277)
Total revenues	6,734,781	5,314,638
<b>Expenses</b>		
Total operating expenses	4,528,336	4,286,869
Interest and amortization expense	1,678,686	2,037,107
Transfers, net	21,783	164,361
Total expenses	6,228,805	6,488,337
Change in net position	\$ 505,976	\$ (1,173,699)

**Parking Facilities Fund** - Total operating revenues, which primarily consist of parking fees and fines, increased by approximately \$269,800, or 4.21%, to \$6,685,800. The increase in operating revenues was due primarily to a slight increase in customer volume as new businesses opened in the downtown area during fiscal year 2013. Non-operating revenue decreased by approximately \$28,700 due primarily to continued decline in interest rates and less unspent bond proceeds to invest. The decrease in the loss on disposal of capital assets was due to the one-time sale of a significant piece of property to another governmental entity to help increase public safety during fiscal year 2012. Total revenues for the year ended June 30, 2013, increased approximately \$1,420,100, or 26.72%, to \$6,734,781 primarily as a result of increased customer volume and not incurring the loss on the aforementioned property sale.

Total operating expenses increased by approximately \$241,467, or 5.63%, to \$4,528,336 when compared to the year ended June 30, 2012. This increase was primarily the result of an increase in repair expenses to the parking garages in fiscal 2013. The increase in operating revenues along with the increase in operating expenses resulted in a slight operating margin increase of approximately \$28,300 compared to the year ended June 30, 2012.

Interest and amortization expense decreased in fiscal year 2013 by approximately \$358,400 or 17.59% when compared to fiscal year 2012 due to reduction of debt outstanding. Net transfers were virtually unchanged in fiscal year 2013 when compared to fiscal year 2012. Total expenses decreased by approximately \$259,500, or 4.00%, to \$6,228,805. The decrease in the loss on the sale of capital assets, interest expense, and net transfers were the main reasons the change in net position increased by \$505,974 for the year ended June 30, 2013.

**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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2013**

As of June 30, 2013, the City's governmental funds reported combined ending fund balances of approximately \$63,796,000, an increase of approximately \$3,317,500. Unassigned fund balance is available for spending at the City's discretion. As of June 30, 2013, the City has an unassigned fund balance of approximately \$22,228,200, an increase of approximately \$7,481,800 compared to the year ended June 30, 2012.

The general fund is the chief operating fund of the City. During the year ended June 30, 2013, the fund balance of the general fund increased by approximately \$9,395,700 to approximately \$24,838,800. 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 2013 surplus was due to increased collections from business licenses and permits and hydrant fees. There was approximately a \$2,178,500 increase in business license and permits and approximately a \$4,869,000 increase from hydrant fees. The unassigned fund balance, which is available for use without restriction, increased by approximately \$7,408,500, to approximately \$22,380,700. Unrestricted fund balance is the combination of unassigned fund balance (\$22,380,700) and assigned fund balance (\$2,159,900) and totals approximately \$24,540,600. The remainder of the fund balance in the general fund is comprised of approximately \$298,200 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, 2013, increased by approximately \$1,259,900, or 6.51%, due to a new agreement with Richland County, South Carolina. Expenditures for the year ended June 30, 2013, increased by approximately \$967,700 primarily due to increased personnel costs.

**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, 2013, were approximately \$108,241,200, approximately \$4,317,000, or 4.15%, more than the final budget of approximately \$103,924,200. This overall revenue increase was the result of modest increases in property tax revenues, license and permit fees, and intergovernmental revenue offset by a decrease in charges for services.

Total general fund expenditures were approximately \$104,369,000 for the year ended June 30, 2013, approximately \$4,026,700, or 3.71%, less than the final budgeted expenditures of \$108,395,700. Closely monitoring of expenditures resulted in most city departments being under budget. The most significant exception was savings in personnel related expenses of approximately \$2,594,900 resulting from position vacancies.

### **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, 2013, totaled \$960,292,185, 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, 2013, was approximately \$46,753,200, or 5.12%.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2013**

Major capital asset events during the year ended June 30, 2013, included the following:

- Construction in progress (CIP) increased by a net \$49,797,820 due mostly to continuing work on a \$44 million dollar project to upgrade the main wastewater treatment plant, a \$13 million dollar project to upgrade the clarifiers at the main waste water treatment plant, a \$9 million dollar sanitary sewer force main project along the Congaree River, a \$20 million dollar project to upgrade the West Columbia and Saluda pump stations, a \$15 million dollar project to improve the raw water and high service pumps at the Columbia Canal Water Treatment Plant, and a \$11 million dollar project to build a new City Center parking garage. There was approximately \$8,360,600 added to the governmental CIP balance related to various governmental projects. There was approximately \$66,335,500 added to the business-type activities CIP balance.
- Buildings and improvements additions totaled approximately \$26,646,500 during the year ended June 30, 2013. Significant additions included the administration building for the Parks and Recreation department, improvements along the Columbia Canal front, a new pool facility at Maxcy Gregg Park, contributed water and sewer lines, as well as a new chlorine tank building at the Metro Waste Water Treatment plant. The main decrease resulted from the sale of a portion of the sewer system used in the water and sewer fund and building removed from service at the Columbia Canal Water Treatment plant.
- Machinery and equipment additions totaled approximately \$12,352,000 during the year ended June 30, 2013. These additions consisted mainly of vehicles, other items of rolling stock and aerators and other water treatment equipment. Disposals consisted mainly of fully depreciated items.
- Depreciation expense totaled \$36,008,800 for the City as a whole.

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

**Table 5**  
**Capital Assets (Net of Depreciation)**  
**As of June 30, 2013 and June 30, 2012**

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	As of June 30, 2013	As of June 30, 2012	As of June 30, 2013	As of June 30, 2012	As of June 30, 2013	As of June 30, 2012
Land	\$ 32,679,661	\$ 32,679,661	\$ 30,136,133	\$ 30,709,731	\$ 62,815,794	\$ 63,389,392
Construction in progress	6,867,679	14,902,842	192,010,616	134,177,633	198,878,295	149,080,475
Buildings and improvements	149,617,574	139,804,467	504,299,380	521,178,304	653,916,954	660,982,771
Infrastructure	12,383,839	12,894,208	-	-	12,383,839	12,894,208
Machinery and equipment	14,161,099	14,352,178	18,136,204	12,839,929	32,297,303	27,192,107
<b>Total</b>	<b>\$215,709,852</b>	<b>\$214,633,356</b>	<b>\$744,582,333</b>	<b>\$698,905,597</b>	<b>\$960,292,185</b>	<b>\$913,538,953</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, 2013**

**Long-term debt** – The City's long-term debt, including contracts payable, reflected a net decrease of approximately \$10,636,700, or 2.03%. This net decrease was the result of \$8,260,000 in principal payments and \$23,915,684 in defeased and redeemed debt through the payment to a refunding bond escrow agent, which was partially offset by the issuance of refunding debt of \$24,260,000. The City also received proceeds of \$6,776,659 (including a premium of \$401,659) from the issuance of additional general obligation debt. Principal payments of \$7,435,000 were made on business-type activity revenue bonds. Principal payments of \$645,601 were made on business-type contracts payable. Total governmental activities had a net decrease of approximately \$1,570,800, or 1.81%, while business-type activities debt had a net decrease of approximately \$9,065,900, or 2.12%. The Series 2012 general obligation debt was issued to fund the purchase of capital assets. The City also issued Series 2012 COPS Bonds in the amount of \$24,260,000 to provide funds to advance refund the outstanding Series 2003 COPS Bonds in the amount of \$22,820,000. This refunding was issued in order to achieve interest savings over the term of the bonds.

**Table 6**  
**Outstanding Indebtedness**  
**As of June 30, 2013 and June 30, 2012**

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2013	As of June 30, 2012	As of June 30, 2013	As of June 30, 2012	As of June 30, 2013	As of June 30, 2012
Notes payable	\$ 5,424,142	\$ 5,619,142	\$ -	\$ -	\$ 5,424,142	\$ 5,619,142
General obligation bonds	33,515,000	31,505,000	-	-	33,515,000	31,505,000
Bond premiums	1,190,979	929,426	-	-	1,190,979	929,426
Revenue bonds	47,225,000	49,485,000	-	-	47,225,000	49,485,000
Bond premiums	-	912,635	-	-	-	912,635
Deferred loss on refunding	(2,360,081)	(1,885,364)	-	-	(2,360,081)	(1,885,364)
Parking Facilities revenue bonds	-	-	44,220,000	45,190,000	44,220,000	45,190,000
Bond premiums	-	-	45,989	47,933	45,989	47,933
Deferred loss on refunding	-	-	-	(97,742)	-	(97,742)
Waterworks and Sewer System revenue bonds	-	-	365,715,000	372,180,000	365,715,000	372,180,000
Bond premiums	-	-	25,658,900	27,225,391	25,658,900	27,225,391
Deferred loss on refunding	-	-	(8,234,958)	(8,720,301)	(8,234,958)	(8,720,301)
Contracts payable	-	-	645,601	1,291,201	645,601	1,291,201
<b>Total</b>	<b>\$ 84,995,040</b>	<b>\$ 86,565,839</b>	<b>\$ 428,050,532</b>	<b>\$ 437,116,482</b>	<b>\$ 513,045,572</b>	<b>\$ 523,682,321</b>

As noted earlier, the City's underlying bond rating for its general obligation debt issues and water and sewer revenue bonds as of June 30, 2013, was an "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, 2013, were rated "BBB+" by Standard and Poor's Rating Service and "A2" 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, 2013, had \$33,515,000 in debt subject to this limitation which is less than the \$41,428,018 allowed without approval by the voters in the City.

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2013**

**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 2014. Economic forecasts project the Columbia metropolitan area will add more jobs than the national average. The unemployment rate for metro Columbia decreased from 9.50% in July 2012 to 8.00% in June 2013.

General fund revenues are budgeted at \$106,880,240 for fiscal year 2014, an increase of approximately three million dollars or 2.8% over fiscal year 2013. Property tax collections and fines and forfeitures collections are expected to increase slightly. New revenue sources include cost recovery fees from hazardous material events and increased fees from Parks and Recreation facility rentals and athletic programs. General fund expenditures are budgeted at \$108,202,453 for fiscal year 2014, an increase of approximately \$3.3 million or 3.12% over fiscal year 2013. Most of this additional increase will result from technology upgrades and other capital items.

Key items that factored into the preparation of the budget for the year ending June 30, 2014, 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 2014, and property tax revenues are expected to increase approximately \$596,400 or 1.20%
- Collections of fines and forfeitures are expected to increase due to the implementation of new court software and increasing the number of police officers.
- Water and sewer revenue collections are expected to increase 5% due to the rate increase that went into effect May 1, 2013.
- Total general fund expenditures are expected to increase approximately \$3,330,500 or 3.18%.
- Park facility rentals and various recreation fees will increase in 2014 and a new hazardous material cost recovery fee will become effective in fiscal year 2014.

**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, P.O. 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 POSITION**

June 30, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and equivalents	\$ 101,454,207	\$ 161,952,732	\$ 263,406,939	\$ 6,190,468
Certificates of deposit	-	-	-	500,000
Investments	10,722,034	91,376,890	102,098,924	7,086,737
Receivables				
Property taxes, net of allowance	1,857,081	-	1,857,081	-
Federal government	1,319,024	-	1,319,024	-
State government	3,284,366	-	3,284,366	-
County government	551,316	-	551,316	-
Accounts, net of allowance	949,245	7,505,652	8,454,897	959,173
Accrued interest	37,794	331,622	369,416	68,599
Notes, net of allowance	656,588	572,122	1,228,710	201,810
Due from component units	-	930,210	930,210	-
Internal balances	12,442,855	(12,442,855)	-	-
Security deposits	-	-	-	2,500
Prepaid expenses	572,177	141,266	713,443	176,797
Inventory	644,112	2,443,485	3,087,597	-
Capital lease receivable	540,000	-	540,000	-
Real estate held for sale and development	-	434,266	434,266	2,361,708
Restricted assets				
Real estate held for sale and development	-	-	-	6,178,243
<b>Total current assets</b>	<b>135,030,799</b>	<b>253,245,390</b>	<b>388,276,189</b>	<b>23,726,035</b>
Noncurrent assets				
Cash on deposit with escrow agent	-	1,300,000	1,300,000	50,000
Investments	7,195,297	56,472,372	63,667,669	-
Mortgage notes receivable, net of current portion	1,969,762	26,768,995	28,738,757	3,837,361
Deposits	78,745	-	78,745	-
Other assets				
Unamortized bond issue costs	1,671,912	4,780,682	6,452,594	-
Deferred loan costs	-	-	-	3,090
Real estate held for sale or development	-	-	-	667,360
Capital lease receivable, net of current portion	15,369,142	-	15,369,142	-
Capital assets not being depreciated				
Land	32,679,661	30,136,133	62,815,794	3,174,391
Construction in progress	6,867,679	192,010,616	198,878,295	-
Capital assets net of accumulated depreciation				
Buildings, improvements and utility plant	149,617,574	504,299,380	653,916,954	6,555,382
Infrastructure	12,383,839	-	12,383,839	-
Machinery and equipment	14,161,099	18,136,204	32,297,303	-
<b>Total noncurrent assets</b>	<b>241,994,710</b>	<b>833,904,382</b>	<b>1,075,899,092</b>	<b>14,287,584</b>
<b>TOTAL ASSETS</b>	<b>377,025,509</b>	<b>1,087,149,772</b>	<b>1,464,175,281</b>	<b>38,013,619</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Accumulated decrease in fair value of hedging derivatives	2,427,262	19,309,536	21,736,798	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 379,452,771</b>	<b>\$1,106,459,308</b>	<b>\$1,485,912,079</b>	<b>\$ 38,013,619</b>

(Continued)

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

June 30, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>LIABILITIES AND NET POSITION</b>				
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable and accrued expenses	\$ 8,900,543	\$ 11,830,677	\$ 20,731,220	\$ 867,242
Accrued salaries and benefits	2,475,979	1,305,509	3,781,488	-
Accrued property taxes	-	-	-	8,429
Accrued liability for claims	15,991,117	500,000	16,491,117	-
Accrued interest	339,426	7,943,180	8,282,606	-
Retainage payable	48,407	7,156,706	7,205,113	-
Deferred revenue	2,907,049	1,500,000	4,407,049	960,794
Due to primary government	-	-	-	500,000
Due to related party	-	-	-	159
Due to grantor agency	-	-	-	26,138
Compensated absences	1,292,677	398,420	1,691,097	17,479
Deposits payable	40,711	66,355	107,066	55,785
Current notes and mortgages payable	195,000	-	195,000	1,240,647
Current contracts payable	-	645,601	645,601	-
General obligation bonds, current portion	4,395,000	-	4,395,000	-
Revenue bonds, current portion	3,645,000	7,700,000	11,345,000	-
Liabilities payable from restricted assets				
Due to primary government	-	-	-	430,210
<b>Total current liabilities</b>	<b>40,230,909</b>	<b>39,046,448</b>	<b>79,277,357</b>	<b>4,106,883</b>
Noncurrent liabilities				
Deferred revenue	-	1,803,600	1,803,600	-
Compensated absences	5,170,708	1,593,685	6,764,393	69,920
OPEB liability	45,803,720	-	45,803,720	-
Mortgages payable, net of current portion	-	-	-	10,301,613
General obligation bonds, net of current portion	76,760,040	-	76,760,040	-
Revenue bonds, net of current portion	-	419,704,931	419,704,931	-
Derivative instrument liability, interest rate swap	2,427,262	19,309,536	21,736,798	-
<b>Total noncurrent liabilities</b>	<b>130,161,730</b>	<b>442,411,752</b>	<b>572,573,482</b>	<b>10,371,533</b>
<b>Total liabilities</b>	<b>170,392,639</b>	<b>481,458,200</b>	<b>651,850,839</b>	<b>14,478,416</b>
<b>NET POSITION</b>				
Net investment in capital assets	155,118,428	373,649,773	528,768,201	4,744,683
Restricted for:				
Capital projects	15,264,573	-	15,264,573	-
Debt service	3,512,035	9,315,421	12,827,456	-
Tourism related expenditures	5,149,465	-	5,149,465	-
Public safety	2,294,259	-	2,294,259	-
Community development	209,030	-	209,030	722,135
Unrestricted	27,512,342	242,035,914	269,548,256	18,068,385
<b>Total net position</b>	<b>209,060,132</b>	<b>625,001,108</b>	<b>834,061,240</b>	<b>23,535,203</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 379,452,771</b>	<b>\$1,106,459,308</b>	<b>\$1,485,912,079</b>	<b>\$ 38,013,619</b>

See accompanying Notes to Financial Statements.

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

Year Ended June 30, 2013

FUNCTIONS/PROGRAMS	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position			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	\$ 17,577,215	\$ 940,028	\$ 1,367,943	\$ 457,500	\$ (14,811,744)	\$ -	\$ (14,811,744)	\$ -
Judicial	2,601,919	-	-	-	(2,601,919)	-	(2,601,919)	-
Finance department	2,051,555	30,505,679	-	-	28,454,124	-	28,454,124	-
Community development	5,855,023	793,431	4,109,027	-	(952,565)	-	(952,565)	-
Public safety	73,682,870	21,387,115	22,752,780	-	(29,542,975)	-	(29,542,975)	-
Parks and recreation	11,329,817	728,247	-	-	(10,601,570)	-	(10,601,570)	-
Public services	23,483,659	247,570	291,335	838,165	(22,106,589)	-	(22,106,589)	-
General services	4,540,814	-	-	-	(4,540,814)	-	(4,540,814)	-
Community promotion	11,915,733	-	5,180,687	-	(6,735,046)	-	(6,735,046)	-
Interest expense	3,027,411	-	-	-	(3,027,411)	-	(3,027,411)	-
Non departmental	2,455,260	-	-	-	(2,455,260)	-	(2,455,260)	-
Total governmental activities	<u>158,521,276</u>	<u>54,602,070</u>	<u>33,701,772</u>	<u>1,295,665</u>	<u>(68,921,769)</u>	<u>-</u>	<u>(68,921,769)</u>	<u>-</u>
Business-type activities								
Water/sewer facilities	107,410,948	121,723,711	-	5,831,240	-	20,144,003	20,144,003	-
Hydro-electric plant	1,544,804	2,731,475	-	-	-	1,186,671	1,186,671	-
Stormwater facilities	4,692,223	6,685,838	-	-	-	1,993,615	1,993,615	-
Parking facilities	6,330,524	6,864,323	-	-	-	533,799	533,799	-
Redevelopment programs	734,283	921,759	-	-	-	187,476	187,476	-
Parks and recreation camps	271,271	253,150	-	-	-	(18,121)	(18,121)	-
Total business-type activities	<u>120,984,053</u>	<u>139,180,256</u>	<u>-</u>	<u>5,831,240</u>	<u>-</u>	<u>24,027,443</u>	<u>24,027,443</u>	<u>-</u>
Total Primary Government	<u>\$ 279,505,329</u>	<u>\$ 193,782,326</u>	<u>\$ 33,701,772</u>	<u>\$ 7,126,905</u>	<u>(68,921,769)</u>	<u>24,027,443</u>	<u>(44,894,326)</u>	<u>-</u>
<b>COMPONENT UNITS</b>	<u>\$ 11,036,568</u>	<u>\$ 5,320,827</u>	<u>\$ 2,215,973</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,499,768)</u>
General revenues:								
General property taxes					34,462,835	-	34,462,835	-
Local Option Sales Tax					15,781,749	-	15,781,749	-
Sales taxes					11,498,370	-	11,498,370	-
Motor fuel taxes					3,566	-	3,566	-
State shared revenue					2,788,097	-	2,788,097	-
Appropriations - City of Columbia					-	-	-	4,181,789
Unrestricted investment earnings					26,022	231,513	257,535	110,699
Gain on disposal of capital assets					188,511	10,922,099	11,110,610	25,470
Transfers					9,739,875	(9,739,875)	-	-
Total general revenues and transfers					<u>74,489,025</u>	<u>1,413,737</u>	<u>75,902,762</u>	<u>4,317,958</u>
Change in net position					5,567,256	25,441,180	31,008,436	818,190
Net position - beginning of period (component unit amount restated)					203,492,876	599,559,928	803,052,804	22,717,013
<b>Net position - end of period</b>					<u>\$ 209,060,132</u>	<u>\$ 625,001,108</u>	<u>\$ 834,061,240</u>	<u>\$ 23,535,203</u>

See accompanying Notes to Financial Statements.

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

**June 30, 2013**

	<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	\$ 20,671,511	\$ 2,482,370	\$ 27,836,814	\$ 50,990,695
Investments	8,599,699	-	9,317,631	17,917,330
Receivables				
Property taxes, net	1,857,081	-	-	1,857,081
Federal government	-	-	1,319,024	1,319,024
State government	2,349,290	-	935,076	3,284,366
County	-	-	551,316	551,316
Accounts, net	263,485	-	25,179	288,664
Accrued interest receivable	37,755	-	39	37,794
Note receivable	-	-	2,626,350	2,626,350
Capital lease receivable	15,909,142	-	-	15,909,142
Due from other funds	-	-	1,244,996	1,244,996
Prepaid charges	298,252	71,775	-	370,027
<b>TOTAL ASSETS</b>	<b>\$ 49,986,215</b>	<b>\$ 2,554,145</b>	<b>\$ 43,856,425</b>	<b>\$ 96,396,785</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 2,459,086	\$ 417,541	\$ 3,978,202	\$ 6,854,829
Accrued salaries and benefits	1,938,190	360,341	41,705	2,340,236
Retainage payable	-	-	48,407	48,407
Deferred revenue	19,700,723	-	175,183	19,875,906
Due to other funds	-	-	2,432,020	2,432,020
Customer deposits	40,712	-	-	40,712
Advances from other funds	1,008,665	-	-	1,008,665
Total liabilities	25,147,376	777,882	6,675,517	32,600,775
Fund balances				
Nonspendable	298,252	71,775	5,000	375,027
Restricted	-	1,704,488	24,724,874	26,429,362
Assigned	2,159,860	-	12,603,593	14,763,453
Unassigned	22,380,727	-	(152,559)	22,228,168
Total fund balances	24,838,839	1,776,263	37,180,908	63,796,010
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 49,986,215</b>	<b>\$ 2,554,145</b>	<b>\$ 43,856,425</b>	<b>\$ 96,396,785</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 POSITION**

**June 30, 2013**

Total fund balance, governmental funds \$ 63,796,010

Amounts reported for governmental activities in the statement of net position 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 position.

Land	\$ 32,679,661	
Construction in progress	6,867,679	
Buildings and improvements, net	149,617,574	
Infrastructure, net	12,383,839	
Machinery and equipment, net	<u>14,161,099</u>	215,709,852

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 position.

Unamortized bond costs		1,671,912
------------------------	--	-----------

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.

(210,379)

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 position.

(5,483,853)

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 position.

9,465,299

Some liabilities (such as notes payable, capital leases, contracts payable, 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 position.

Accrued compensated absences	(6,463,385)	
Accrued interest payable	(339,426)	
Bonds and notes payable	(86,164,142)	
Unamortized deferred loss on refunding	2,360,081	
Unamortized premium	<u>(1,190,979)</u>	(91,797,851)

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

15,909,142

**Net position of governmental activities in the statement of net position**

**\$ 209,060,132**

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, 2013

	General Fund	County Services	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
General property taxes	\$ 50,644,107	\$ -	\$ -	\$ 50,644,107
Sales, hospitality and admission taxes	95,178	-	11,403,192	11,498,370
Licenses and permits	30,505,429	-	-	30,505,429
Intergovernmental revenue	13,540,185	-	-	13,540,185
Charges for services	11,963,232	-	19,940	11,983,172
Fines and forfeitures	1,083,670	-	146,549	1,230,219
Federal government	-	-	5,452,069	5,452,069
State government	-	-	380,553	380,553
County government	-	20,600,418	5,930,172	26,530,590
Promotions	-	-	89,314	89,314
Confiscated funds	-	-	533,541	533,541
Interest	659	-	25,727	26,386
Other revenues	182,881	-	1,505,351	1,688,232
Total revenues	<u>108,015,341</u>	<u>20,600,418</u>	<u>25,486,408</u>	<u>154,102,167</u>
<b>EXPENDITURES</b>				
Current				
General government	6,561,858	-	55,704	6,617,562
Judicial	2,472,285	-	-	2,472,285
Finance department	1,978,474	-	-	1,978,474
Planning and development	4,041,701	-	-	4,041,701
Public safety	51,599,425	19,530,637	2,193,113	73,323,175
Parks and recreation	9,486,586	-	-	9,486,586
Public services	16,189,808	-	4,375,448	20,565,256
General services	4,476,691	-	-	4,476,691
Community promotion	606,382	-	13,524,654	14,131,036
Non departmental	2,474,747	-	-	2,474,747
Other charges	11,079	-	-	11,079
Debt service				
Principal payment on bonds	500,000	-	7,760,000	8,260,000
Interest on bonds	927,685	-	1,851,199	2,778,884
Fiscal agent charges	-	-	4,975	4,975
Debt issuance costs	-	-	550,421	550,421
Capital outlay				
Capital outlay	3,042,274	29,814	8,337,974	11,410,062
Total expenditures	<u>104,368,995</u>	<u>19,560,451</u>	<u>38,653,488</u>	<u>162,582,934</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,646,346</u>	<u>1,039,967</u>	<u>(13,167,080)</u>	<u>(8,480,767)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	16,813,180	80,805	11,844,055	28,738,040
Transfers (out)	(11,289,637)	(94,068)	(12,902,873)	(24,286,578)
Sales of capital assets	225,883	-	-	225,883
Proceeds from borrowing	-	-	6,375,000	6,375,000
Refunding bonds issued	-	-	24,260,000	24,260,000
Premium on bond issuance	-	-	401,659	401,659
Payments to refunded bonds escrow agent	-	-	(23,915,684)	(23,915,684)
Total other financing sources (uses)	<u>5,749,426</u>	<u>(13,263)</u>	<u>6,062,157</u>	<u>11,798,320</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	9,395,772	1,026,704	(7,104,923)	3,317,553
Beginning fund balance	<u>15,443,067</u>	<u>749,559</u>	<u>44,285,831</u>	<u>60,478,457</u>
<b>Ending fund balance</b>	<u><u>\$ 24,838,839</u></u>	<u><u>\$ 1,776,263</u></u>	<u><u>\$ 37,180,908</u></u>	<u><u>\$ 63,796,010</u></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, 2013**

Net change in fund balances - total governmental funds \$ 3,317,553

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	\$ 11,410,062	
Depreciation expense	<u>(11,336,812)</u>	73,250

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

Disposition of capital assets	38,896	
Proceeds from the sale of capital assets	<u>(225,883)</u>	(186,987)

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.

(376,819)

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.

457,500

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.

(211,104)

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	(6,375,000)	
Proceeds from bond premium	(401,659)	
Proceeds from refunding bonds issued	(24,260,000)	
Principal retirement of long-term debt	8,260,000	
Amortization of premium	(139,476)	
Payment to refunded bond escrow agent	23,915,684	
Bond issue costs	550,421	
Amortization of bond issue costs	<u>(356,125)</u>	1,193,845

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	(246,296)	
Accrued interest payable	<u>(26,355)</u>	(272,651)

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.

1,572,669

**Change in net position of governmental activities**

\$ 5,567,256

See accompanying Notes to Financial Statements.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2013**

	<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	\$ 130,606,618	\$ 8,504,945	\$ 22,841,169	\$ 161,952,732	\$ 50,463,512
Investments	79,489,355	5,717,348	6,170,187	91,376,890	-
Accounts receivable, net	7,460,152	45,286	214	7,505,652	660,581
Mortgage notes receivable, net	156,768	-	415,354	572,122	-
Accrued interest receivable	282,042	22,491	27,089	331,622	-
Due from other funds	3,013,778	-	-	3,013,778	7,000,000
Due from component units	500,000	-	430,210	930,210	-
Inventory	2,331,603	111,882	-	2,443,485	644,112
Prepaid expenses	124,142	8,493	8,631	141,266	202,152
Real estate held for resale	-	-	434,266	434,266	-
<b>Total current assets</b>	<b>223,964,458</b>	<b>14,410,445</b>	<b>30,327,120</b>	<b>268,702,023</b>	<b>58,970,357</b>
<b>Noncurrent Assets</b>					
Mortgage notes receivable, net	470,302	-	26,298,693	26,768,995	-
Investments	55,514,428	957,944	-	56,472,372	-
Cash on deposit with escrow agent	1,300,000	-	-	1,300,000	-
Deposits	-	-	-	-	78,745
Unamortized bond costs	3,833,720	946,962	-	4,780,682	-
Advances to other funds	1,008,666	-	-	1,008,666	-
<b>Capital assets</b>					
Land	13,944,668	15,845,287	346,178	30,136,133	-
Buildings, improvements and utility plant	760,955,656	42,641,813	25,235,208	828,832,677	903,586
Machinery and equipment	39,516,350	1,293,035	2,422,405	43,231,790	3,442,850
Less accumulated depreciation	(329,286,744)	(13,779,855)	(6,562,284)	(349,628,883)	(3,237,367)
Construction in progress	176,487,705	13,203,946	2,318,965	192,010,616	370,712
<b>Net capital assets</b>	<b>661,617,635</b>	<b>59,204,226</b>	<b>23,760,472</b>	<b>744,582,333</b>	<b>1,479,781</b>
<b>Total noncurrent assets</b>	<b>723,744,751</b>	<b>61,109,132</b>	<b>50,059,165</b>	<b>834,913,048</b>	<b>1,558,526</b>
<b>TOTAL ASSETS</b>	<b>947,709,209</b>	<b>75,519,577</b>	<b>80,386,285</b>	<b>1,103,615,071</b>	<b>60,528,883</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Accumulated decrease in fair value of hedging derivatives	19,309,536	-	-	19,309,536	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 967,018,745</b>	<b>\$ 75,519,577</b>	<b>\$ 80,386,285</b>	<b>\$ 1,122,924,607</b>	<b>\$ 60,528,883</b>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS (CONTINUED)**  
June 30, 2013

	<b>Business-type Activities</b>			Total	<b>Governmental Activities</b>
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Proprietary Funds		Internal Service Funds
<b>LIABILITIES AND NET POSITION</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 10,793,724	\$ 34,149	\$ 1,002,804	\$ 11,830,677	\$ 2,045,714
Accrued salaries and benefits	1,108,058	79,534	117,917	1,305,509	135,741
Compensated absences	359,613	24,055	14,752	398,420	41,938
Retainage payable	6,844,400	50,000	262,306	7,156,706	-
Accrued interest payable	7,056,848	886,332	-	7,943,180	-
Revenue bonds payable	6,670,000	1,030,000	-	7,700,000	-
Due to other funds	-	-	7,000,000	7,000,000	1,826,755
Contract payable	-	-	645,601	645,601	-
Deposits payable	66,355	-	-	66,355	-
Deferred revenue	-	-	1,500,000	1,500,000	-
Accrued liability for claims	500,000	-	-	500,000	15,991,117
<b>Total current liabilities</b>	<b>33,398,998</b>	<b>2,104,070</b>	<b>10,543,380</b>	<b>46,046,448</b>	<b>20,041,265</b>
<b>Noncurrent Liabilities</b>					
Compensated absences	1,438,454	96,221	59,010	1,593,685	167,751
OPEB liability	-	-	-	-	45,803,720
Revenue bonds payable - net	376,468,942	43,235,989	-	419,704,931	-
Derivative instrument liability - interest rate swap	19,309,536	-	-	19,309,536	-
Deferred revenue	1,303,600	-	500,000	1,803,600	-
<b>Total noncurrent liabilities</b>	<b>398,520,532</b>	<b>43,332,210</b>	<b>559,010</b>	<b>442,411,752</b>	<b>45,971,471</b>
<b>Total liabilities</b>	<b>431,919,530</b>	<b>45,436,280</b>	<b>11,102,390</b>	<b>488,458,200</b>	<b>66,012,736</b>
<b>Net Position</b>					
Net investment in capital assets	333,993,121	15,896,181	23,760,471	373,649,773	1,479,781
Restricted for debt service	9,315,421	-	-	9,315,421	-
Unrestricted	191,790,673	14,187,116	45,523,424	251,501,213	(6,963,634)
<b>Total net position</b>	<b>535,099,215</b>	<b>30,083,297</b>	<b>69,283,895</b>	<b>634,466,407</b>	<b>(5,483,853)</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 967,018,745</b>	<b>\$ 75,519,577</b>	<b>\$ 80,386,285</b>	<b>1,122,924,607</b>	<b>\$ 60,528,883</b>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time				(9,465,299)	
Net position of business-type activities				<u>\$ 625,001,108</u>	

See accompanying Notes to Financial Statements.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**

Year Ended June 30, 2013

	<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	\$ 121,055,839	\$ 4,405,851	\$ 8,736,252	\$ 134,197,942	\$ 46,774,232
Other operating revenue	529,736	2,279,999	355,970	3,165,705	-
<b>Total operating revenues</b>	<b>121,585,575</b>	<b>6,685,850</b>	<b>9,092,222</b>	<b>137,363,647</b>	<b>46,774,232</b>
Operating expenses					
Personnel services	30,529,411	2,243,986	2,854,390	35,627,787	3,899,037
Materials and supplies	9,495,316	167,023	277,078	9,939,417	10,853,236
Other services and charges	26,031,570	536,043	2,712,189	29,279,802	5,141,433
Heat, light and power	6,497,033	340,489	-	6,837,522	41,616
Depreciation	22,438,145	1,228,628	1,005,216	24,671,989	271,760
Claims and premiums	-	-	-	-	32,233,907
Bad debt expense	1,847,105	12,167	269,609	2,128,881	-
<b>Total operating expenses</b>	<b>96,838,580</b>	<b>4,528,336</b>	<b>7,118,482</b>	<b>108,485,398</b>	<b>52,440,989</b>
<b>Operating income (loss)</b>	<b>24,746,995</b>	<b>2,157,514</b>	<b>1,973,740</b>	<b>28,878,249</b>	<b>(5,666,757)</b>
Nonoperating revenues (expenses)					
Investment income (loss)	149,875	47,662	33,977	231,514	-
Other nonoperating revenue	142,636	178,473	1,501,669	1,822,778	-
Gain (loss) from sale of assets	10,975,883	(177,204)	123,420	10,922,099	1,525
Interest expense	(8,477,676)	(1,594,365)	-	(10,072,041)	-
Amortization of bond costs	(775,794)	(84,321)	-	(860,115)	-
<b>Total nonoperating revenues (expenses)</b>	<b>2,014,924</b>	<b>(1,629,755)</b>	<b>1,659,066</b>	<b>2,044,235</b>	<b>1,525</b>
<b>Income (loss) before contributions and transfers</b>	<b>26,761,919</b>	<b>527,759</b>	<b>3,632,806</b>	<b>30,922,484</b>	<b>(5,665,232)</b>
Capital contributions and transfers					
Transfers in	917,403	163,986	1,163,477	2,244,866	7,009,707
Transfers out	(8,568,355)	(185,769)	(3,230,617)	(11,984,741)	(1,721,294)
Development contributions	5,831,240	-	-	5,831,240	-
<b>Total capital contributions and transfers</b>	<b>(1,819,712)</b>	<b>(21,783)</b>	<b>(2,067,140)</b>	<b>(3,908,635)</b>	<b>5,288,413</b>
<b>Change in net position</b>	<b>24,942,207</b>	<b>505,976</b>	<b>1,565,666</b>	<b>27,013,849</b>	<b>(376,819)</b>
<b>Net position - beginning</b>	<b>510,157,008</b>	<b>29,577,321</b>	<b>67,718,229</b>		<b>(5,107,034)</b>
<b>Net position - ending</b>	<b>\$ 535,099,215</b>	<b>\$ 30,083,297</b>	<b>\$ 69,283,895</b>		<b>\$ (5,483,853)</b>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				(1,572,669)	
Change in net position of business-type activities				<u>\$ 25,441,180</u>	

See accompanying Notes to Financial Statements.

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

Year Ended June 30, 2013

	<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	\$ 121,098,683	\$ 6,710,358	\$ 9,232,958	\$ 137,041,999	\$ 563,965
Internal activity - receipts from other funds	-	-	-	-	46,301,423
Internal activity - payments to other funds	(9,771,307)	(600,826)	(876,424)	(11,248,557)	(611,211)
Payments to suppliers	(38,507,809)	(1,609,947)	(1,991,407)	(42,109,163)	(14,431,566)
Claims paid	-	-	-	-	(31,681,034)
Payments to employees	(24,355,124)	(1,755,438)	(2,349,961)	(28,460,523)	(2,542,197)
<b>Net cash provided by (used in) operating activities</b>	<b>48,464,443</b>	<b>2,744,147</b>	<b>4,015,166</b>	<b>55,223,756</b>	<b>(2,400,620)</b>
<b>Cash Flows From Noncapital Financing Activities</b>					
Due to (from) others	2,207,055	(716,035)	7,152,155	8,643,175	(5,841,818)
Payments on contracts payable	-	-	(645,600)	(645,600)	-
Other nonoperating revenues	142,636	178,473	-	321,109	-
Transfers in	917,403	163,986	1,163,477	2,244,866	7,009,707
Transfers out	(8,568,355)	(185,769)	(3,230,617)	(11,984,741)	(1,721,294)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(5,301,261)</b>	<b>(559,345)</b>	<b>4,439,415</b>	<b>(1,421,191)</b>	<b>(553,405)</b>
<b>Cash Flows From Capital And Related Financing Activities</b>					
Principal paid on bonds and notes	(6,465,000)	(970,000)	-	(7,435,000)	-
Interest paid on debt	(16,866,508)	(2,195,250)	-	(19,061,758)	-
Purchase of capital assets	(62,977,320)	(1,134,615)	(2,108,371)	(66,220,306)	(585,039)
Proceeds from sale of capital assets	18,150,675	-	107,309	18,257,984	1,525
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(68,158,153)</b>	<b>(4,299,865)</b>	<b>(2,001,062)</b>	<b>(74,459,080)</b>	<b>(583,514)</b>
<b>Cash Flows From Investing Activities</b>					
Sale (Purchase) of investments, net	72,714,831	3,451,768	1,513,566	77,680,165	-
Advances of mortgage notes receivable	-	-	(8,249,072)	(8,249,072)	-
Collections of mortgage notes receivable	150,540	-	1,696,492	1,847,032	-
Interest received	101,831	38,566	20,517	160,914	-
Purchase of real estate held for resale	-	-	(26,094)	(26,094)	-
<b>Net cash provided by (used in) investing activities</b>	<b>72,967,202</b>	<b>3,490,334</b>	<b>(5,044,591)</b>	<b>71,412,945</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>47,972,231</b>	<b>1,375,271</b>	<b>1,408,928</b>	<b>50,756,430</b>	<b>(3,537,539)</b>
Cash and cash equivalents, July 1, 2012	83,934,387	7,129,674	21,432,241	112,496,302	54,001,051
<b>Cash and cash equivalents, June 30, 2013</b>	<b>\$ 131,906,618</b>	<b>\$ 8,504,945</b>	<b>\$ 22,841,169</b>	<b>\$ 163,252,732</b>	<b>\$ 50,463,512</b>

(Continued)

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

Year Ended June 30, 2013

	<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>\$ 24,746,995</u>	<u>\$ 2,157,514</u>	<u>\$ 1,973,740</u>	<u>\$ 28,878,249</u>	<u>\$ (5,666,757)</u>
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	22,438,145	1,228,628	1,005,216	24,671,989	271,760
Bad debt expense	1,847,105	12,167	269,609	2,128,881	-
Change in operating assets and liabilities					
Accounts receivable	(784,153)	24,508	140,735	(618,910)	91,156
Inventory	192,167	(19,480)	-	172,687	(69,225)
Prepaid expenses	23,933	(5,438)	(5,438)	13,057	(139,378)
Accounts payable	(70,451)	(656,417)	627,279	(99,589)	(620,115)
Accrued salaries	36,081	(1,574)	6,210	40,717	1,540
Accrued compensated absences	34,621	4,239	(2,185)	36,675	24,047
OPEB liability	-	-	-	-	3,153,479
Accrued liability for claims	-	-	-	-	552,873
Total adjustments	<u>23,717,448</u>	<u>586,633</u>	<u>2,041,426</u>	<u>26,345,507</u>	<u>3,266,137</u>
<b>Net cash provided by (used in) operating activities</b>	<u><u>\$ 48,464,443</u></u>	<u><u>\$ 2,744,147</u></u>	<u><u>\$ 4,015,166</u></u>	<u><u>\$ 55,223,756</u></u>	<u><u>\$ (2,400,620)</u></u>
<b>Noncash Investing, Capital and Financing Activities</b>					
Water and sewer contributed assets	<u><u>\$ 5,831,240</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,831,240</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

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

June 30, 2013

	<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>Total Private- Purpose Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,893	\$ 600	\$ 100	\$ 6,113	\$ 3,370	\$ 12,076	\$ 33,673
<b>Total assets</b>	<u>1,893</u>	<u>600</u>	<u>100</u>	<u>6,113</u>	<u>3,370</u>	<u>12,076</u>	<u>\$ 33,673</u>
<b>LIABILITIES</b>							
Accounts payable	-	-	-	-	-	-	\$ 33,673
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 33,673</u>
<b>NET POSITION</b>							
Held in trust - other purposes	<u>\$ 1,893</u>	<u>\$ 600</u>	<u>\$ 100</u>	<u>\$ 6,113</u>	<u>\$ 3,370</u>	<u>\$ 12,076</u>	

See accompanying Notes to Financial Statements.

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

Year Ended June 30, 2013

	<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>Total Private- Purpose Trust Funds</b>
<b>ADDITIONS</b>						
Contributions:						
Private donations	\$ 5,438	\$ 5,078	\$ -	\$ 5,304	\$ -	\$ 15,820
<b>Total contributions</b>	<u>5,438</u>	<u>5,078</u>	<u>-</u>	<u>5,304</u>	<u>-</u>	<u>15,820</u>
<b>DEDUCTIONS</b>						
Administrative expenses	5,000	5,532	-	8,388	300	19,220
<b>Total deductions</b>	<u>5,000</u>	<u>5,532</u>	<u>-</u>	<u>8,388</u>	<u>300</u>	<u>19,220</u>
<b>Change in net position</b>	438	(454)	-	(3,084)	(300)	(3,400)
Net position - beginning	<u>1,455</u>	<u>1,054</u>	<u>100</u>	<u>9,197</u>	<u>3,670</u>	<u>15,476</u>
<b>Net position - ending</b>	<u>\$ 1,893</u>	<u>\$ 600</u>	<u>\$ 100</u>	<u>\$ 6,113</u>	<u>\$ 3,370</u>	<u>\$ 12,076</u>

See accompanying Notes to Financial Statements.

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

June 30, 2013

	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Authority for Conventions, Sports, and Tourism	TN Development Corporation	Columbia Empowerment Zone, Inc.	Total
<b>ASSETS</b>							
Current Assets							
Cash and cash equivalents	\$ 307,576	\$ 216,394	\$ 286,594	\$ 3,577,180	\$ 970,449	\$ 832,275	\$ 6,190,468
Certificates of deposit	200,000	100,000	100,000	-	100,000	-	500,000
Investments	-	-	-	7,086,737	-	-	7,086,737
Accounts receivable, net	65,152	7,684	-	678,870	26,056	181,411	959,173
Accrued interest receivable	10	-	-	-	-	68,589	68,599
Mortgage notes receivable, current portion	20,500	38,000	-	-	-	143,310	201,810
Prepaid expenses	39,355	4,804	6,047	105,341	17,131	4,119	176,797
Real estate held for sale and development, net	901,728	980,609	479,371	-	-	-	2,361,708
Restricted Assets							
Real estate held for sale and development	5,729,529	410,469	38,245	-	-	-	6,178,243
Total current assets	<u>7,263,850</u>	<u>1,757,960</u>	<u>910,257</u>	<u>11,448,128</u>	<u>1,113,636</u>	<u>1,229,704</u>	<u>23,723,535</u>
Capital Assets							
Capital assets, not being depreciated	-	66,366	73,000	-	710,731	2,324,294	3,174,391
Capital assets, net of accumulated depreciation	108	524,052	421,212	650,696	3,383,941	1,575,373	6,555,382
Net capital assets	<u>108</u>	<u>590,418</u>	<u>494,212</u>	<u>650,696</u>	<u>4,094,672</u>	<u>3,899,667</u>	<u>9,729,773</u>
Other Assets							
Mortgage note receivable, net of allowance	763,800	734,632	-	-	-	2,338,929	3,837,361
Real estate held for sale and development	-	-	-	-	667,360	-	667,360
Deferred loan costs	-	-	-	-	3,090	-	3,090
Security deposits	-	-	-	2,500	-	-	2,500
Cash on deposit with escrow agent	50,000	-	-	-	-	-	50,000
Total other assets	<u>813,800</u>	<u>734,632</u>	<u>-</u>	<u>2,500</u>	<u>670,450</u>	<u>2,338,929</u>	<u>4,560,311</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 8,077,758</u></u>	<u><u>\$ 3,083,010</u></u>	<u><u>\$ 1,404,469</u></u>	<u><u>\$ 12,101,324</u></u>	<u><u>\$ 5,878,758</u></u>	<u><u>\$ 7,468,300</u></u>	<u><u>\$ 38,013,619</u></u>

(Continued)

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

June 30, 2013

	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Authority for Conventions, Sports, and Tourism	TN Development Corporation	Columbia Empowerment Zone, Inc.	Total
<b>LIABILITIES</b>							
Current Liabilities							
Accounts payable	\$ 18,356	\$ 1,556	\$ 8,976	\$ 350,566	\$ 25,055	\$ 19,102	\$ 423,611
Accrued expenses	49,882	31,676	9,259	279,182	73,632	-	443,631
Accrued property taxes	-	8,429	-	-	-	-	8,429
Customer deposits	-	3,713	1,875	-	40,656	9,541	55,785
Due to primary government	200,000	100,000	100,000	-	100,000	-	500,000
Due to related party	-	159	-	-	-	-	159
Due to grantor agency	-	26,138	-	-	-	-	26,138
Compensated absences	6,501	3,462	1,521	-	5,995	-	17,479
Mortgage/bonds/notes payable/ lines of credit - current portion	-	190,824	904,174	-	145,649	-	1,240,647
Deferred revenue	-	150,885	-	623,295	186,614	-	960,794
Liabilities payable from restricted assets							
Due to primary government	-	424,215	5,995	-	-	-	430,210
<b>Total current liabilities</b>	<b>274,739</b>	<b>941,057</b>	<b>1,031,800</b>	<b>1,253,043</b>	<b>577,601</b>	<b>28,643</b>	<b>4,106,883</b>
Noncurrent Liabilities							
Compensated absences	26,004	13,849	6,085	-	23,982	-	69,920
Mortgage/bonds/lines of credit payable	5,761,922	399,841	-	-	4,139,850	-	10,301,613
<b>Total noncurrent liabilities</b>	<b>5,787,926</b>	<b>413,690</b>	<b>6,085</b>	<b>-</b>	<b>4,163,832</b>	<b>-</b>	<b>10,371,533</b>
<b>TOTAL LIABILITIES</b>	<b>6,062,665</b>	<b>1,354,747</b>	<b>1,037,885</b>	<b>1,253,043</b>	<b>4,741,433</b>	<b>28,643</b>	<b>14,478,416</b>
Net Position							
Net investment in capital assets	108	-	194,212	650,696	-	3,899,667	4,744,683
Restricted							
Housing projects	-	722,135	-	-	-	-	722,135
Unrestricted	2,014,985	1,006,128	172,372	10,197,585	1,137,325	3,539,990	18,068,385
<b>Total net position</b>	<b>2,015,093</b>	<b>1,728,263</b>	<b>366,584</b>	<b>10,848,281</b>	<b>1,137,325</b>	<b>7,439,657</b>	<b>23,535,203</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 8,077,758</b>	<b>\$ 3,083,010</b>	<b>\$ 1,404,469</b>	<b>\$ 12,101,324</b>	<b>\$ 5,878,758</b>	<b>\$ 7,468,300</b>	<b>\$ 38,013,619</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, 2013

	Program Revenue				Net (Expense) Revenues and Changes in Net Position						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Authority for Conventions, Sports, and Tourism	TN Development Corporation	Columbia Empowerment Zone, Inc.	Totals
Columbia Development Corporation Community Development	\$ 527,278	\$ 45,355	\$ -	\$ -	\$ (481,923)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (481,923)
Columbia Housing Development Corporation Community Development	782,088	71,020	142,117	-	-	(568,951)	-	-	-	-	(568,951)
Eau Claire Development Corporation Community Development	254,736	32,676	33,945	-	-	-	(188,115)	-	-	-	(188,115)
Midlands Authority for Convention, Sports, and Tourism Community Promotions	7,851,507	3,903,677	1,716,666	-	-	-	-	(2,231,164)	-	-	(2,231,164)
TN Development Corporation Community Development	1,284,766	987,822	156,122	-	-	-	-	-	(140,822)	-	(140,822)
Columbia Empowerment Zone, Inc.	336,193	280,277	167,123	-	-	-	-	-	-	111,207	111,207
<b>Total component units</b>	<b>\$ 11,036,568</b>	<b>\$ 5,320,827</b>	<b>\$ 2,215,973</b>	<b>\$ -</b>	<b>(481,923)</b>	<b>(568,951)</b>	<b>(188,115)</b>	<b>(2,231,164)</b>	<b>(140,822)</b>	<b>111,207</b>	<b>(3,499,768)</b>
General revenues:											
Appropriations - City of Columbia					301,851	205,241	182,225	3,096,646	395,826	-	4,181,789
Investment earnings					85,932	5,561	380	18,826	-	-	110,699
Gain from disposal of capital assets					-	1,470	-	-	-	24,000	25,470
<b>Total general revenues</b>					<b>387,783</b>	<b>212,272</b>	<b>182,605</b>	<b>3,115,472</b>	<b>395,826</b>	<b>24,000</b>	<b>4,317,958</b>
Change in net position					(94,140)	(356,679)	(5,510)	884,308	255,004	135,207	818,190
Net position - beginning (TNDC restated)					2,109,233	2,084,942	372,094	9,963,973	882,321	7,304,450	22,717,013
<b>Net position - ending</b>					<b>\$ 2,015,093</b>	<b>\$ 1,728,263</b>	<b>\$ 366,584</b>	<b>\$ 10,848,281</b>	<b>\$ 1,137,325</b>	<b>\$ 7,439,657</b>	<b>\$ 23,535,203</b>

See accompanying Notes to Financial Statements.

## **INDEX TO NOTES TO FINANCIAL STATEMENTS**

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Index to Notes to Financial Statements**  
**Year Ended June 30, 2013**

**INDEX**

<u>Note</u>	<u>Page</u>
<b>I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	
A. Reporting Entity	43
B. Basis of Presentation	45
C. Measurement Focus and Basis of Accounting	49
D. Assets and Liabilities	51
E. Revenues, Expenditures, and Expenses	53
F. Fund Balance	55
G. Net Position	57
<b>II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY</b>	
A. Budgetary Information	57
B. Deficit Fund Equity	57
C. Risk Management	58
<b>III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS</b>	
A. Deposits and Investments	59
B. Receivables	60
C. Mortgage Notes Receivable and Revolving Loan Pools	61
D. Interfund Receivables, Payables, and Transfers	62
E. Operating Leases	62
F. Capital Assets	63
G. Other Postemployment Benefits	66
H. Long-Term Obligations	69
<b>IV. PENSION PLANS</b>	76

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Index to Notes to Financial Statements**  
**Year Ended June 30, 2013**

**INDEX**

<b><u>Note</u></b>	<b><u>Page</u></b>
<b>V. INTEREST RATE SWAP AGREEMENTS</b>	78
<b>VI. COMMITMENTS AND CONTINGENCIES</b>	
A. Federal Grants	82
B. Litigation	82
<b>VII. OTHER INFORMATION</b>	
A. Subsequent Events	82
B. Pending Implementation of GASB Statements	83

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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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 an estimated population of approximately 132,000, living within an area of 134.94 square miles. The Greater Columbia Metropolitan Area consists of Lexington and Richland Counties and has an estimated population of 785,000. 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. During the year ended June 30, 2013, the City implemented GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*" (GASB 61). The objective of this statement is to improve financial reporting for the governmental financial reporting entity. As required by GAAP, the financial statements of the City must present the City's financial information along with its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability, which is presumed to exist if the City both appoints a voting majority of the entity's governing body, and either 1) the City is able to impose its will on the entity or, 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on the City.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the City having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the City; and (c) the City is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above if excluding it would cause the City's financial statements to be misleading.

Blended component units, although legally separate entities, are in substance part of the government's operations, and data from these units are combined with the data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the entity-wide financial statements to emphasize they are legally separate from the City. Based on the criteria above, the City has two blended component units and six discretely presented component units.

**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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

**A. REPORTING ENTITY (Continued)**

**Blended Component Units (Continued)**

***Columbia Parking Facilities Corporation***

This is a single-purpose entity, whose balances are reported in the general fund. The entity 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 Board of Directors is composed of nine members. New board members are appointed by the existing board. The entity 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. Funding for the CEZ is derived from loan repayments, rental income, and grant funds.

***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, and appropriations from the City.

***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 CHDC is derived from sale of properties, interest income, mortgages receivable, U.S. Department of Housing and Urban Development (HUD) grants passed through the South Carolina State Housing, Finance and Development Authority, and appropriations from the City.

***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, grants, and sale of properties and rents.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

**A. REPORTING ENTITY (Continued)**

**Discretely Presented Component Units (Continued)**

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

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

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

Incorporated in 1993 as an eleemosynary organization, the TNDC was organized to promote growth and develop opportunities for affordable rental housing. The ten-member Board of Directors is composed of three members from 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, other grants, and appropriations from the City.

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

**B. BASIS OF PRESENTATION**

**GOVERNMENT WIDE FINANCIAL STATEMENTS**

The Statement of Net Position 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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

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

**FUND FINANCIAL STATEMENTS (Continued)**

*Special Revenue Funds*

These funds are used to account for 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 (a major fund) – 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.
- 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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

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

**FUND FINANCIAL STATEMENTS (Continued)**

*Capital Projects Funds*

The Capital Projects Funds account for all capital improvements, except those accounted for in Proprietary Funds, financed by the City's general obligation bond issues, 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.
- 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.

**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 (a major fund) -- accounts for water and sewer utility activities.
- Parking Facilities Fund (a major 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.
- Economic Development Fund – accounts for economic develop activities

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2013

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

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

**FUND FINANCIAL STATEMENTS (Continued)**

*Internal Service Funds*

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

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

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

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

*Agency Fund*

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

*Private-Purpose Trust Funds*

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

*Major Funds*

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The County Services fund accounts for fire services and 911 emergency communication 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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

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

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City. The effect of interfund activity has been removed from these statements.

*Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately *from business-type activities*, which rely to a significant extent, on fees and charges for support.

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 government-wide statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see below for further detail). Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government wide statements and the statements for governmental funds.

The City implemented Governmental Accounting Standards Board Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*" ("GASB 63") during the year ended June 30, 2013. GASB 63 establishes financial reporting requirements and related disclosures for certain elements of a statement of financial position that were discussed in GASB's 2007 Concepts Statement No. 4, "*Elements of Financial Statements*." In Concepts Statement No. 4, the GASB defines a deferred outflow of resources as a consumption of net position by a government that is applicable to a future reporting period and will not be recognized as an outflow of resources (expense/expenditure) until then; a deferred inflow of resources as an acquisition of net position by a government that is applicable to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time; and net position as the residual of all other elements presented in a statement of financial position (the difference between (a) assets and deferred outflows and (b) liabilities and deferred inflows of resources). Under GASB 63, amounts for items that the GASB has designated to be deferred outflows of resources are to be presented in a statement of financial position in a separate section following assets, and amounts for items the GASB has designated for to be deferred inflows of resources are to be presented in a separate section following liabilities.

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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

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

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.

Proprietary fund types are accounted for using a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred. The City has implemented GASB Statement No.62 "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*," and thus the City applies all applicable GASB pronouncements.

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.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions restricted to meeting the operational requirements of a particular function or segment; and 3) capital grants and contributions restricted to meeting the capital requirements of a particular function or segment. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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, realizable value of real estate held for sale, impairment of assets, and certain claims and judgment liabilities among other accounts. Actual results could differ from those estimates.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

**D. ASSETS AND LIABILITIES**

***Deposits***

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

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

***Investments***

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

***Inventory and Prepaid Assets***

In the fund financial statements, all governmental City inventories are recorded in the Internal Service Fund at cost or estimated historical cost on a first-in, first-out (FIFO) basis. All proprietary inventories are recorded in the respective fund at cost or estimated historical cost on a first-in, first-out (FIFO) basis. The related expenditures or expenses are recognized when inventories are consumed. Changes in the year-end inventory are reflected in expenses.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

***Real Estate***

Real estate held for 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 loans, 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."

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

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

***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.

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 and available.

***Restricted Assets***

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

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

***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, any 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, 2013. 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 position. Debt is reported net of applicable premiums, discounts, or deferred refunding costs on the statement of net position. 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.

**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. Penalties and charges are assessed if taxes are not paid by the following dates:

January 16 through February 1	- 3% penalty for tax due
February 2 through March 16	- 10% penalty for tax due
March 17 through April 30	- 15% penalty for tax due plus costs
May 1 through July 31	- \$30 additional execution cost plus previous penalties and costs
After July 31	- \$50 additional execution cost plus previous penalties and costs
Unpaid taxes after one year	- Property is sold at the annual tax sale in December

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

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

***Property Tax Revenues*** (Continued)

The City does not receive any penalty amount or costs on delinquent taxes collected by Richland County. Assessed values are established by the Richland County Tax Assessor, the Lexington County Tax Assessor and the South Carolina Department of Revenue. The City's operating tax rate is currently 98.1 mills. Amounts received by Richland County and Lexington County, but not remitted to the City at year end, are included in Property Taxes Receivable on the Statement of Net Position and the Balance Sheet.

That portion, if any, of General Fund property taxes allocated for payment of debt service 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 \$15.9 million during the year ended June 30, 2013. 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 \$2.7 million in the General Fund and Statement of Net Position as of June 30, 2013.

***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.

***Expenditures/Expenses***

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

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

- Governmental Funds – By Characteristic:
  - Current (further classified by function)
  - Debt Service
  - Capital Outlay
  
- Proprietary Funds – By Operating and Nonoperating

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

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

***Expenditures/Expenses (Continued)***

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

***Interfund transfers***

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

**F. FUND BALANCE**

The City has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The following categories of fund balance are used in the fund level financial statements of the governmental funds:

***Nonspendable fund balance***

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable as well as property acquired for resale.

***Restricted fund balance***

The restricted fund balance classification includes amounts that are either restricted externally by creditors, grantors, contributors, or laws or regulations of other governments or restricted by law through constitutional provisions or enabling legislation.

***Committed fund balance***

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

***Assigned fund balance***

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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

**F. FUND BALANCE (Continued)**

***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. It is the City's policy to consider restricted fund balances to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. After these fund balances have been depleted, unassigned fund balance will be considered to have been spent.

<u>Classification / Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nonspendable		
General Fund	Prepaid charges	\$ 298,252
County Services	Prepaid charges	71,775
Dickson Trust	Nonspendable principal	5,000
		<u>375,027</u>
Total nonspendable		
Restricted		
Accommodations Tax	City promotions	712,723
Tourism Development Convention Center	Tourism	2,255,611
Hospitality Tax	City promotions	2,181,131
County Services	Fire department operations	1,704,488
Confiscated Drug Program	Law enforcement	589,771
Other Programs	Community development	208,452
Debt Service Fund	Debt Service	3,512,035
Congaree Vista District	Construction of parks in Congaree Vista District	5,584,514
Miscellaneous Projects	General capital projects	9,680,059
Dickson Trust	Community development	578
		<u>26,429,362</u>
Total restricted		
Assigned		
General Fund	Subsequent year expenditures	2,000,000
General Fund	Tourism	22,757
General Fund	Recreation	32,268
General Fund	Community development	104,835
Streetscaping	Streetscaping capital projects	7,792,827
General Capital Projects	General capital improvements	4,810,766
		<u>14,763,453</u>
Total assigned		
Unassigned		
General Fund		22,380,727
Liquor Permit Fee		(152,559)
		<u>22,228,168</u>
Total unassigned		
Total fund balances		<u>\$ 63,796,010</u>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

**G. NET POSITION**

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows in the statement of net position. Net position is classified as net investment in capital assets, restricted, and unrestricted. Net position classified as net investment in capital assets, 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 position component as the unspent proceeds. Net position is 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. Periodically the City will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. BUDGETARY INFORMATION**

The City utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

Budgets are adopted on the modified accrual basis of accounting. The budget process begins with the development of the Annual Activity Work Plan by each department and division. These plans are due by the end of November. The City Manager reviews these plans in December and gives departments and divisions input on the City Manager's desired emphasis in the upcoming budget. Budgets are then developed in the departments and divisions and submitted to the City Manager by the beginning of February. The City Manager reviews these budgets in March, and the City Manager's recommended budget is submitted in April to City Council for final approval prior to the beginning of each fiscal year on July 1<sup>st</sup>. The operating budget includes proposed expenditures and means of financing them.

Public meetings are conducted to obtain taxpayer comments. A target date in June is set for legal enactment of the budget through passage of an ordinance. The ordinance sets the limit at the fund level at which expenditures may not exceed appropriations. After two readings of the budget, the City Council legally adopts the budget through the passage of the ordinance. The City Manager is authorized to administer the budget and may authorize the transfer of appropriated funds within and between departments and funds as necessary to achieve the goals of the budget. Such transfers are recorded on the City's records. All unused appropriations lapse at year end. Encumbrances are re-appropriated on a yearly basis and are reflected as an increase in budgeted expenditures in the next year.

Budget accountability rests primarily with the operating departments and divisions of the City. In accomplishing the programs and objectives for which the budget was authorized, department and divisions directors are responsible for ensuring that their respective expenditures do not exceed the prescribed funding levels.

**B. DEFICIT FUND EQUITY**

The Risk Management Internal Service Fund had a deficit fund balance of \$5,189,399 at June 30, 2013. The Support Services Internal Service Fund had a deficit fund balance of \$294,454 at June 30, 2013. The Liquor Permit Fee Special Revenue Fund had a deficit fund balance of \$152,559 at June 30, 2013. Revenues and transfers from other funds in subsequent years are expected to fund these deficits.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

**C. RISK MANAGEMENT**

The City is self-insured for medical and dental coverage. Health claims for individuals are limited to 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, 2013. Some of these claims were reported at June 30, 2013, 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
2012	\$14,468,681	\$28,787,456	(\$27,317,893)	\$15,938,244
2013	\$15,938,244	\$29,401,964	(\$28,849,091)	\$16,491,117

This liability is reported in both the risk management fund of the internal services funds (\$15,991,117) and the water and sewer facilities fund (\$500,000).

Fiscal year 2013 aggregate liability above includes the following amounts for legal claims: \$8,223,314 beginning liability, \$1,862,272 current year claims and changes in estimates, and \$2,064,105 claims payments. The ending liability for legal claims is \$8,021,481. 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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

**III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS**

**A. DEPOSITS AND INVESTMENTS**

As of June 30, 2013, the City, excluding component units, had the following investments:

Investment Type	Investment Maturities (in Years)		
	Fair Value	Less Than 1	Greater Than 1
Certificates of Deposit / Money Market	\$ 86,770,873	\$ 86,770,873	\$ -
Treasuries	49,578,560	5,590,050	43,988,510
Agencies	29,198,922	9,695,213	19,503,709
Municipals	218,238	-	218,238
Total	<u>\$ 165,766,593</u>	<u>\$ 102,056,136</u>	<u>\$ 63,710,457</u>

***Investment Classification***

Investments are classified as current or noncurrent on the Statements of Net Position 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. Investments in securities in agencies related to the U.S. Government earn interest at a stated fixed rate and are normally held to maturity when the full principal and interest amount is paid to the City.

***Credit Risk for Investments***

The City's investment policy requires that the portfolio consist largely of securities with active secondary or resale markets. In addition, a portion of the portfolio may be placed in the South Carolina Pooled Investment Fund. This fund is unrated. Investments in U.S. Treasuries are considered to have no credit risk. The investments in agencies related to the U. S. Government include the following: (1) Federal Home Loan Mortgage Corp Discount Notes and (2) Federal National Mortgage Association Discount Notes; these securities are rated A-1+ by Standard and Poor's and P-1 by Moody's Investors Service.

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

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

***Concentration of Credit Risk***

The City's investment policy prohibits investing more than 10% of the total portfolio in a single holding or more than 25% in any one issuer except for United States Treasury securities and money market mutual funds.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

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

***Custodial Credit Risk - Deposits***

The City's cash deposit policy requires that United States Treasury or Agency securities of a fair value equal to the bank deposits be held by a third-party custodian in the City's name. At June 30, 2013, the City was in full compliance with its collateral policy.

***Custodial Credit Risk - Investments***

Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City's investment policy requires that securities held by a third party custodian in the name of the City. As of June 30, 2013, none of the City's security investments were exposed to custodial credit risk.

**Reconciliation to the Financial Statements**

A reconciliation of cash and investments, excluding component units, as shown on the combined balance sheet for all fund types follows:

Description	Amount
Carrying Amount of Deposits	\$ 264,752,688
Fair Value of Investments	165,766,593
Total Deposits and Investments	\$ 430,519,281
Statement of Net Position	
Cash and Equivalents	\$ 263,406,939
Investments - Current	102,098,924
Cash on Deposit with Escrow Agent	1,300,000
Investments - Noncurrent	63,667,669
Statement of Net Position - Fiduciary Funds	
Cash and Equivalents - Trust Funds	12,076
Cash and Equivalents - Agency Funds	33,673
Total Cash and Investments	\$ 430,519,281

**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, 2013, are as follows:

General Fund	\$ 144,535
Water/Sewer Facilities	\$ 2,524,533
Parking Facilities	\$ 700,215
Nonmajor Business-type activities	\$ 486

Receivables for the component units consist of items totaling \$959,173 at June 30, 2013, which are net of allowances for doubtful accounts. As of June 30, 2013, the allowance for doubtful accounts was approximately \$70,150 for the component units.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

**B. RECEIVABLES (Continued)**

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, 2013, the various components of deferred revenue and unearned revenue in the governmental funds and activities were as follows:

	<u>Fund Statement</u>	<u>Government-wide</u>
Unavailable		
Capital lease receivable	\$ 15,909,142	\$ -
Delinquent property taxes	1,059,715	-
Unearned		
Local Option Sales Tax	2,731,866	2,731,866
Confiscated Drug Program Fund	154,531	154,531
Community Development Fund	727	727
Federal Grant Fund	9,925	9,925
Streetscaping Fund	10,000	10,000
	<u>\$ 19,875,906</u>	<u>\$ 2,907,049</u>
Total deferred revenue		

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

The various mortgage programs involve the Community Development loan programs and economic development 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 \$2,015,300 of the total net mortgage notes receivable of approximately \$29,967,500 as of June 30, 2013.

***Component units***

The Columbia Housing Development Corporation (CHDC) has mortgage notes receivable consisting of \$772,632, which is net of an allowance for uncollectible loans of \$78,611. 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 \$784,300, which is net of an allowance for uncollectible loans of \$400,000. Mortgage notes receivable consist of four 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 \$2,482,239, which is the net of allowance for uncollectible loans of \$670,910. 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, 2013**

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

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

The interfund receivables and payables (including advances) at June 30, 2013, are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Funds:		
Water/Sewer Facilities Fund	\$ 4,022,444	\$ -
General Fund	-	1,008,665
Other Governmental	1,244,996	2,432,020
Nonmajor Proprietary Fund	-	7,000,000
Internal Service	<u>7,000,000</u>	<u>1,826,755</u>
Total	<u>\$12,267,440</u>	<u>\$12,267,440</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 for the year ended June 30, 2013, are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$16,813,180	\$11,289,637
County Services	80,805	94,068
Nonmajor governmental funds	11,844,055	12,902,873
Water/Sewer	917,403	8,568,355
Parking	163,986	185,769
Nonmajor proprietary funds	1,163,477	3,230,617
Internal service funds	<u>7,009,707</u>	<u>1,721,294</u>
	<u>\$37,992,613</u>	<u>\$37,992,613</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.

**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, 2013, were approximately \$787,000. Future minimum lease payments for these leases are as follows:

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

**E. OPERATING LEASES (Continued)**

Year Ending June 30,	Amount
2014	\$ 745,249
2015	745,880
2016	468,754
2017	468,754
2018	50,400
2019 - 2023	252,000
2024 - 2028	252,000
2029 - 2033	252,000
2034 - 2038	252,000
2039	50,400
<b>Total</b>	<b>\$ 3,537,437</b>

**F. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2013, is as follows:

	Balance June 30, 2012	Increases	Transfers	Decreases	Balance June 30, 2013
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 32,679,661	\$ -	\$ -	\$ -	\$ 32,679,661
Construction in progress	14,902,842	8,360,661	-	(16,395,824)	6,867,679
<b>Total capital assets not being depreciated</b>	<b>47,582,503</b>	<b>8,360,661</b>	<b>-</b>	<b>(16,395,824)</b>	<b>39,547,340</b>
Capital assets, being depreciated:					
Buildings and improvements	185,640,869	15,973,058	-	-	201,613,927
Machinery and equipment	45,658,982	4,056,809	(19,650)	(3,336,101)	46,360,040
Infrastructure	22,335,970	457,500	-	-	22,793,470
<b>Total capital assets, being depreciated</b>	<b>253,635,821</b>	<b>20,487,367</b>	<b>(19,650)</b>	<b>(3,336,101)</b>	<b>270,767,437</b>
Less accumulated depreciation:					
Buildings and improvements	(45,836,402)	(6,159,951)	-	-	(51,996,353)
Machinery and equipment	(31,306,804)	(4,208,992)	19,650	3,297,205	(32,198,941)
Infrastructure	(9,441,762)	(967,869)	-	-	(10,409,631)
<b>Total accumulated depreciation</b>	<b>(86,584,968)</b>	<b>(11,336,812)</b>	<b>19,650</b>	<b>3,297,205</b>	<b>(94,604,925)</b>
<b>Total capital assets, being depreciated, net</b>	<b>167,050,853</b>	<b>9,150,555</b>	<b>-</b>	<b>(38,896)</b>	<b>176,162,512</b>
<b>Governmental activities capital assets, net</b>	<b>\$214,633,356</b>	<b>\$ 17,511,216</b>	<b>\$ -</b>	<b>\$(16,434,720)</b>	<b>\$215,709,852</b>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

**F. CAPITAL ASSETS (Continued)**

	Balance June 30, 2012	Increases	Transfers	Decreases	Balance June 30, 2013
<b>Business-Type Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 30,709,731	\$ 18,544	\$ -	\$ (592,142)	\$ 30,136,133
Construction in progress	134,177,633	66,335,526	-	(8,502,543)	192,010,616
Total capital assets not being depreciated	<u>164,887,364</u>	<u>66,354,070</u>	<u>-</u>	<u>(9,094,685)</u>	<u>222,146,749</u>
Capital assets, being depreciated:					
Buildings and improvements	841,846,002	10,673,407	-	(23,686,732)	828,832,677
Machinery and equipment	36,578,660	8,295,206	19,650	(1,661,726)	43,231,790
Total capital assets, being depreciated	<u>878,424,662</u>	<u>18,968,613</u>	<u>19,650</u>	<u>(25,348,458)</u>	<u>872,064,467</u>
Less accumulated depreciation:					
Buildings and improvements	(320,667,698)	(22,010,138)	-	18,144,539	(324,533,297)
Machinery and equipment	(23,738,731)	(2,661,851)	(19,650)	1,324,646	(25,095,586)
Total accumulated depreciation	<u>(344,406,429)</u>	<u>(24,671,989)</u>	<u>(19,650)</u>	<u>19,469,185</u>	<u>(349,628,883)</u>
Total capital assets, being depreciated, net	<u>534,018,233</u>	<u>(5,703,376)</u>	<u>-</u>	<u>(5,879,273)</u>	<u>522,435,584</u>
Business-type activities capital assets, net	<u>\$698,905,597</u>	<u>\$ 60,650,694</u>	<u>\$ -</u>	<u>\$ (14,973,958)</u>	<u>\$744,582,333</u>

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

<b>Governmental Activities:</b>	
General government	\$ 6,028,373
Public safety	2,792,627
Parks and recreation	1,302,812
Public services	829,032
Judicial	50,482
Community development	19,772
General services	30,632
Nondepartmental	9,133
Finance department	2,188
Internal service funds	271,761
Total depreciation expense - governmental activities	<u>\$ 11,336,812</u>
<b>Business-type Activities:</b>	
Water/Sewer facilities	\$ 22,438,145
Stormwater facilities	681,750
Parking facilities	1,228,628
Hydro electric plant	323,466
Total depreciation expense - business-type activities	<u>\$ 24,671,989</u>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

**F. CAPITAL ASSETS (Continued)**

During the year ended June 30, 2013, \$7,588,614 of interest expense in the Business-type activities was capitalized. The City has several ongoing construction projects as of June 30, 2013, for renovations and other construction projects. Total remaining commitments on these construction contracts as of June 30, 2013, totaled approximately \$58,731,500.

During the year ended June 30, 2013, the City recorded in the governmental activities \$457,500 in infrastructure contributed by private parties and in the business-type activities \$5,831,240 in infrastructure contributions by developers.

***Columbia Parking Facilities Corporation – Capital Lease Receivable***

In 2008, construction was completed on the Innovista parking garages. The parking garages and corresponding long-term debt were recorded by the Columbia Parking Facilities Corporation (the Corporation), a blended component unit as noted in Note I. A. 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. H. for details of the related debt (Note payable \$4,449,142 and revenue bond payable of \$11,460,000). Total future minimum rentals to be received from the University under the capital lease agreement will be \$15,909,142.

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

Year Ending June 30,	Amount
2014	\$ 656,542
2015	652,329
2016	687,889
2017	4,652,471
2018	591,010
2019-2023	3,235,630
2024-2028	4,053,370
2029-2031	2,535,500
Total	17,064,741
Less: Amounts representing interest	1,155,599
Total minimum future rentals	15,909,142
Less amount due within one year	540,000
Noncurrent capital lease receivable	\$ 15,369,142

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

**G. 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, 757 retirees meet those requirements. The City pays all Medicare supplemental insurance premiums for all qualifying retirees. For the year ended June 30, 2013, 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.

Prior to January 1, 2013, retirees under the age of sixty-five paid between \$33 and \$219 a month depending on the number of individuals covered and the various coverage elections. The City's contributions during the same time period would range from \$600 to \$1,600 depending on the various coverage elections per retiree. After January 1, 2013, the retiree paid between \$37 and \$277 a month, and the City paid between \$600 and \$1,600 a month. Prior to January 1, 2013, for retirees over the age of sixty-five, health care benefits were provided to the retiree at no cost to the employee. The City paid the entire monthly cost of \$418. If the retiree elected to cover their spouse, the cost to the retiree was \$63 a month, and the cost to the City was \$227 a month. After January 1, 2013, the retiree paid \$105 a month for single coverage, and the cost to the City was \$300 a month. If the retiree elected to cover their spouse, the retiree paid an additional \$180 a month, and the City paid an additional \$225 a month. Surviving spouses of retirees may elect to continue health care benefits.

The contribution requirements of the retirees are established and may be amended by the members of City Council.

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Participants:					
Active	2,032	2,030	2,039	2,234	2,179
Retired	757	698	702	662	589
Total Employee Claims					
Active	\$ 15,880,782	\$13,999,800	\$11,903,954	\$13,043,628	\$11,714,190
Retired	\$ 5,754,566	\$ 5,868,443	\$ 3,557,000	\$ 5,811,854	\$ 5,219,495
% of Active Payroll					
Active	17.63%	15.79%	13.47%	15.04%	12.61%
Retired	<u>6.39%</u>	<u>6.62%</u>	<u>4.03%</u>	<u>6.70%</u>	<u>5.62%</u>
Total	<u>24.02%</u>	<u>22.41%</u>	<u>17.50%</u>	<u>21.74%</u>	<u>18.23%</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, 2013**

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

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

***Annual OPEB cost 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 cost and the net OPEB obligation for the year ended June 30, 2013, on the Statement of Net Position was as follows:

Employer Normal Cost	\$ 2,964,469
Amortization of UAAL*	<u>4,855,926</u>
Annual Required Contribution (ARC)	7,820,395
Interest on Net Obligation	2,239,138
Adjustment to the ARC	<u>(1,912,567)</u>
Annual OPEB Cost	8,146,966
Contributions made	<u>(4,993,487)</u>
Increase in Net OPEB Obligation	3,153,479
Net OPEB Obligation, July 1, 2012	<u>42,650,241</u>
Net OPEB Obligation June 30, 2013	<u><u>\$ 45,803,720</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, 2013, 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
2011	\$16,520,860	28.20%	\$39,900,000
2012	7,826,383	64.86%	42,650,241
2013	8,146,966	61.29%	45,803,720

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

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

***Funded Status and Funding Progress***

Funded status and funding progress of the plan as of July 1, 2012, was as follows:

Present Value of Future Benefits:	
Retirees & Beneficiaries	\$ 50,662,100
Participants Fully Eligible for Benefits	11,684,547
Participants Not Fully Eligible for Benefits	<u>46,016,757</u>
Total Present Value of Future Benefits	<u>\$ 108,363,404</u>
Present Value of Future Normal Costs	<u>\$ 7,649,368</u>
Actuarial Accrued Liabilities (AAL)	\$ 108,363,404
Actuarial Value of Plan Assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 108,363,404</u>
Funded Ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (annual payroll of employees covered by the plan)	\$ 90,099,630
UAAL as a percentage of covered payroll	120.27%

Actuarial valuations for OPEB plans involve estimates of the value of the reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress presented immediately following the financial statements, as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

***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, 2012, 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, 2013, 25 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 2013 and decreases 0.5% each year until 2017. General inflation is assumed to be 3% per year.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

**H. LONG-TERM OBLIGATIONS**

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Amount Due in 2014
<b>Governmental Activities</b>					
Notes payable	\$ 5,619,142	\$ -	\$ (195,000)	\$ 5,424,142	\$ 195,000
GO bonds	31,505,000	6,375,000	(4,365,000)	33,515,000	4,395,000
Revenue bonds	49,485,000	24,260,000	(26,520,000)	47,225,000	3,645,000
Unamortized bond premiums	1,842,061	401,659	(1,052,741)	1,190,979	-
Deferred loss on refunding	(1,885,364)	(706,741)	232,024	(2,360,081)	-
Compensated absences	6,193,041	6,432,045	(6,161,701)	6,463,385	1,292,677
OPEB costs	42,650,241	8,146,966	(4,993,487)	45,803,720	-
Derivative instrument liability	3,231,690	-	(804,428)	2,427,262	-
<b>Total governmental activities</b>	<u>138,640,811</u>	<u>44,908,929</u>	<u>(43,860,333)</u>	<u>139,689,407</u>	<u>9,527,677</u>
<b>Business-Type Activities</b>					
Revenue bonds	417,370,000	-	(7,435,000)	409,935,000	7,700,000
Contracts payable	1,291,202	-	(645,601)	645,601	645,601
Unamortized bond premiums	27,273,320	-	(1,568,431)	25,704,889	-
Compensated absences	1,955,430	2,048,615	(2,011,940)	1,992,105	398,420
Deferred loss on refunding	(8,818,040)	-	583,082	(8,234,958)	-
Derivative instrument liability	31,495,109	-	(12,185,573)	19,309,536	-
<b>Total business-type activities</b>	<u>470,567,021</u>	<u>2,048,615</u>	<u>(23,263,463)</u>	<u>449,352,173</u>	<u>8,744,021</u>
<b>Total all long-term obligations</b>	<u>\$609,207,832</u>	<u>\$ 46,957,544</u>	<u>\$ (67,123,796)</u>	<u>\$589,041,580</u>	<u>\$ 18,271,698</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, 2013**

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

**H. LONG-TERM OBLIGATIONS (Continued)**

The annual requirements to amortize all outstanding debt of the City as of June 30, 2013, including interest payments, but excluding contracts payable, accrued vacation payable, amortization of bond premiums, and deferred loss on refunding, are as follows:

**Governmental Activities:**

Year Ending June 30,	General Obligation Bonds	Interest	Revenue Bonds	Interest	Note Payable	Interest	Total Principal	Total Interest
2014	\$ 4,395,000	\$ 1,028,689	\$ 3,645,000	\$ 956,682	\$ 195,000	\$ 8,052	\$ 8,235,000	\$ 1,993,423
2015	4,520,000	902,874	3,720,000	876,729	195,000	7,829	8,435,000	1,787,432
2016	4,645,000	776,826	3,815,000	794,815	215,000	7,569	8,675,000	1,579,210
2017	4,170,000	647,424	3,945,000	710,752	4,144,142	7,569	12,259,142	1,365,745
2018	3,405,000	529,750	4,040,000	624,362	75,000	-	7,520,000	1,154,112
2019-2023	9,495,000	1,433,596	19,125,000	1,750,903	375,000	-	28,995,000	3,184,499
2024-2028	2,885,000	297,850	6,435,000	311,163	225,000	-	9,545,000	609,013
2029-2033	-	-	2,500,000	35,500	-	-	2,500,000	35,500
	<u>\$ 33,515,000</u>	<u>\$ 5,617,009</u>	<u>\$ 47,225,000</u>	<u>\$ 6,060,906</u>	<u>\$ 5,424,142</u>	<u>\$ 31,019</u>	<u>\$ 86,164,142</u>	<u>\$ 11,708,934</u>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

**H. LONG-TERM OBLIGATIONS (Continued)**

**Business-Type Activities:**

Year Ending June 30,	Revenue Bonds	Interest
2014	\$ 7,700,000	\$ 19,080,557
2015	7,955,000	19,095,590
2016	8,250,000	18,821,546
2017	8,625,000	18,523,480
2018	9,025,000	18,149,620
2019-2023	51,250,000	84,757,753
2024-2028	64,150,000	72,794,143
2029-2033	82,470,000	52,772,630
2034-2038	103,265,000	34,092,109
2039-2041	<u>67,245,000</u>	<u>11,141,474</u>
	<u>\$ 409,935,000</u>	<u>\$ 349,228,902</u>

**General Obligation Bonds**

The City has issued General Obligation Bonds to fund building programs of the City, acquire capital assets, and also to refinance debt issued to fund infrastructure improvements and acquire land. The City has complete liability for the retirement of these obligations. Principal payments on all bonds are due annually and interest is due semi-annually.

The South Carolina Constitution limits local unit borrowing power to 8% of its assessed property value. The limitation excludes bonded indebtedness existing prior to December 1, 1977, (date of the Constitutional Amendment), certain special levies assessed on properties located in an area receiving special benefits, and other prescribed indebtedness approved by the voters.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

**H. LONG-TERM OBLIGATIONS (Continued)**

General Obligation Bonds outstanding as of June 30, 2013, 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%	\$ 8,250,000
\$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%	6,510,000
\$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%	9,085,000
\$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%	4,030,000
\$6,375,000	City of Columbia General Obligation Bonds, Series 2012 Proceeds for: Acquisition of capital assets Annual principal installments of \$195,000 to \$1,235,000 through June 1, 2022 Interest rate: 2.00 to 3.00%	<u>5,640,000</u>
	<i>Total Governmental Activities General Obligation Bonds</i>	<u><u>\$ 33,515,000</u></u>

***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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

**H. LONG-TERM OBLIGATIONS (Continued)**

The construction of the second of two Innovista garages was funded by the issuance of a \$13,070,000 tax-exempt South Carolina Jobs-Economic Development Authority Revenue Bonds, Series 2007. The Columbia Parking Facilities Parking Corporation, a component unit of the City, is responsible for the payment of the bonds. BB&T, the bond holder, also holds a first mortgage on both garages. Richland County 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 0.20% at June 30, 2013. The Corporation entered into an interest rate swap agreement in relation to the bond issue as detailed in Note V.

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 (0.20%, at June 30, 2013). At June 30, 2013, \$4,449,142 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%.	\$ 975,000
\$5,185,000 Construction note secured for the construction of a 1,450 parking space parking deck for Innovista. (Note III.F.) Annual principal installments of \$120,000 to \$140,000 through March 1, 2017, with balloon payment at maturity. Interest rate: Adjusted LIBOR rate (0.20%). (See Note V. for details regarding the interest rate swap related to this note issue.) Maximum draw amount: \$5,185,000.	<u>4,449,142</u>
<i>Total Governmental Activities Note Payable</i>	<u>\$ 5,424,142</u>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

**H. LONG-TERM OBLIGATIONS (Continued)**

Revenue bonds outstanding as of June 30, 2013, are as follows:

Governmental Activities:

<p>\$14,825,000 Revenue Bond - Hospitality Fee Pledge, Series 2012          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>	\$ 13,820,000
<p>\$24,260,000 Certificates of Participation Series 2012          Payable from revenues derived by the City from tourism development fees          Annual principal installments of \$2,225,000 to \$2,660,000 through June 1, 2022          Interest rate: 2.29%</p>	21,945,000
<p>\$13,070,000 South Carolina Jobs-Economic Development Authority Bond 2007          Payable from revenues derived by the City from operation of a garage (Note III.F.)          Annual principal installments of \$250,000 to \$920,000 through March 1, 2031          Interest rate: Rate per annum equal to 95% of LIBOR (0.20%). See Note V.          for details regarding the interest rate swap related to this bond issue.</p>	<u>11,460,000</u>
<p style="text-align: center;"><i>Total Governmental Activities Revenue Bonds</i></p>	<u><u>\$ 47,225,000</u></u>

Business-Type Activities:

Parking Facilities Fund:

<p>\$8,605,000 Parking Facilities Revenue Bonds, Series 1994          Payable from revenues derived by the City from operation of off-street          and on-street parking facilities          Proceeds for: Refund Series 1987 Parking Facilities Revenue Bonds          Annual principal installments of \$265,000 to \$680,000 through Dec. 1, 2013          Interest rate: 3.2 to 5.875%</p>	\$ 680,000
<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>	<u>3,645,000</u>
<p style="text-align: center;"><i>Total Parking Facilities Revenue Bonds</i></p>	<u><u>44,220,000</u></u>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

**H. LONG-TERM OBLIGATIONS (Continued)**

*Business-Type Activities: (Continued)*

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 V for details regarding the interest rate swap related to this          bond issue</p>	<p>\$ 81,860,000</p>
<p>\$105,000,000 Waterworks and Sewer System Revenue Bonds, Series 2010          Payable from revenues derived from the City's water and sewer system          Proceeds for: Cost of improvements to the System          Annual principal installments of \$1,090,000 to \$17,855,000 through Feb. 1, 2040          Interest rate: 3.0 to 5.0%</p>	<p>103,910,000</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>98,045,000</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>23,845,000</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>365,715,000</u></p>
<p><i>Total Business-Type Activities Revenue Bonds</i></p>	<p><u>\$ 409,935,000</u></p>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

**H. LONG-TERM OBLIGATIONS (Continued)**

**Refundings**

In August 2012, the City issued Certificates of Participation (Tourism Development Fee Pledge) Series 2012 in the amount of \$24,260,000 to advance refund the outstanding Certificates of Participation Series 2003 in the amount of \$22,820,000. As a result, the Series 2003 Certificates of Participation were redeemed in June 2013. Accordingly, the liability for the refunded Certificates of Participation has been removed from the governmental activities column in the Statement of Net Position. The City incurred \$344,316 in issuance costs associated with the new debt. The reacquisition price exceeded the net carrying amount of the old debt by \$706,741. This amount is being netted against the new debt and is being amortized over the term of the new debt which has the same term as the old debt. The refunding was undertaken to reduce total debt service payments over the next ten years by \$2,109,827 and resulted in an economic gain of \$1,730,058.

**Defeasance Debt**

During the 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 by placing the proceeds of new bonds in an irrevocable trust to provide for all future debts 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, 2013, the amount of debt considered defeased is approximately \$73,780,000.

**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, 2013, the balance of this conduit debt was approximately \$2,998,400.

**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, 2013, the City did not have any arbitrage profits due to the federal government.

**IV. PENSION PLANS**

The City's retirement plans are as follows:

**Description of Plans**

As a condition of employment, all eligible City employees are required to participate in a pension plan. All firemen and law enforcement officers must belong to the South Carolina Police Officers' Retirement System (SCPORS). All other eligible employees must belong to the South Carolina Retirement System (SCRS). Both plans are a cost-sharing multiple-employer Public Employee Retirement System (PERS). Effective July 1, 2012, the South Carolina General Assembly transferred administration of the SCRS and PORS to the Retirement Division of the newly created South Carolina Public Employee Benefit Authority ("PEBA"). The PEBA has the authority to establish and amend benefits and funding policy. Retirement costs are funded by withholding from the employees' salaries and by a contribution from the City of a percentage of the employees' salaries. As noted earlier both Retirement Systems are administered by PEBA 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 Public Employee Benefit Authority, Post Office Box 11960, Columbia, South Carolina 29211-1960 or at its website [www.retirement.sc.gov](http://www.retirement.sc.gov).

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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**IV. PENSION PLANS (Continued)**

***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, 2012, the employer contribution rate became 10.45% which includes 0.15% towards group life insurance. City contributions to SCRS for the years ended June 30, 2013, 2012, and 2011 were approximately \$5,515,900, \$4,943,900, and \$4,864,100, respectively, equal to the actuarially required contributions for each year. Employees contributed at a rate of 7.0% for the year ended June 30, 2013.

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

Effective July 1, 2012, the employer contribution rate became 11.90% which includes 0.20% towards group life insurance. Contributions to SCPORS for the years ended June 30, 2013, 2012, and 2011 were approximately \$4,313,000, \$4,227,800, and \$4,232,800, respectively, equal to the actuarially required contribution rates for each year. Employees contributed at a rate of 7.0% for the year ended June 30, 2013.

***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, 2013**

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**V. 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, 2013, 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, 2013, the City made variable bond interest payments in the amount of \$117,761 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 \$116,933. The net of variable payments on the bonds and receipts on the swap was \$828.

**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 2031 and 2017. 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, 2013, the notional amounts were \$11,460,000 and \$4,449,142.

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, 2013, 95% of LIBOR was 0.190% and LIBOR plus 1.50% was 1.700%. The Corporation also makes interest payments to the bondholders at 95% of LIBOR and LIBOR, respectively, (0.190% and 0.200% at June 30, 2013) on the outstanding principal amount.

The obligation of the Corporation to make regularly scheduled payments under the swaps ranks on a parity basis with the Corporation's obligation to make debt service payments on its outstanding bonds. Under certain circumstances, the swaps are subject to termination prior to their respective scheduled expiration dates and prior to the maturity of the bonds to which each such 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

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

**Swap Two and Three (Continued)** – 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 2013, the Corporation made variable interest payments of \$103,012 and the net settlement of variable receiver and fixed payer payments of \$824,673. The market value of the swaps was (\$1,697,616) and (\$729,646) at June 30, 2013, 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, 2013, 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					
sw ap      Sw ap Two	Deferred outflow	\$ (565,904)	Debt	\$ 1,697,616	\$ 11,460,000
Pay-fixed interest rate					
sw ap      Sw ap Three	Deferred outflow	\$ (238,524)	Debt	<u>729,646</u>	\$ 4,449,142
				<u>\$ 2,427,262</u>	
Business-type activity					
Cash flow hedges:					
Pay-fixed interest rate					
sw ap      Sw ap One	Deferred outflow	\$ (12,185,573)	Debt	<u>\$19,309,536</u>	\$ 81,860,000

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

The following table displays the objectives and terms of the City's hedging derivative instruments outstanding at June 30, 2013, 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%	Aa3 / A+ / A+
Pay-fixed interest rate swap	Hedge of changes in cash flows on the Series 2007 JEDA Revenue Bonds	\$11,460,000	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	\$ 4,449,142	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, 2013, 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.

Year Ended June 30,	<b>Waterworks and Sewer Bonds</b>			
	Series 2009 (Swap One)			
	Variable Rate Bonds		Hedging	
	Principal	Interest	Derivatives, Net	Total
2014	\$ -	\$ -	\$ 3,565,012	\$ 3,565,012
2015	-	-	3,565,012	3,565,012
2016	-	-	3,565,012	3,565,012
2017	-	-	3,565,012	3,565,012
2018	-	-	3,565,012	3,565,012
2019-2023	1,075,000	-	17,802,198	18,877,198
2024-2028	3,515,000	-	17,332,946	20,847,946
2029-2033	27,490,000	-	15,398,885	42,888,885
2034-2038	49,780,000	-	6,692,128	56,472,128
	<u>\$ 81,860,000</u>	<u>\$ -</u>	<u>\$ 75,051,217</u>	<u>\$ 156,911,217</u>

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

<b>Parking Facilities Corporation</b>				
South Carolina JEDA Bond 2007 (Swap Two)				
Year Ended	Variable Rate Bonds		Hedging	
	Principal	Interest	Derivatives, Net	Total
June 30,				
2014	\$ 420,000	\$ 21,774	\$ 560,967	\$ 1,002,741
2015	420,000	20,976	540,408	981,384
2016	440,000	20,178	519,849	980,027
2017	480,000	19,342	498,311	997,653
2018	500,000	18,430	474,815	993,245
2019-2023	2,860,000	76,950	1,982,475	4,919,425
2024-2028	3,840,000	46,360	1,194,380	5,080,740
2029-2031	2,500,000	9,234	237,897	2,747,131
	<u>\$ 11,460,000</u>	<u>\$ 233,244</u>	<u>\$ 6,009,102</u>	<u>\$ 17,702,346</u>

<b>Parking Facilities Corporation</b>				
Innovista Note Payable (Swap Three)				
Year Ended	Variable Rate Bonds		Hedging	
	Principal	Interest	Derivatives, Net	Total
June 30,				
2014	\$ 120,000	\$ 8,898	\$ 227,574	\$ 356,472
2015	120,000	8,658	221,436	350,094
2016	140,000	8,418	215,298	363,716
2017	4,069,142	8,138	208,137	4,285,417
	<u>\$ 4,449,142</u>	<u>\$ 34,112</u>	<u>\$ 872,445</u>	<u>\$ 5,355,699</u>

**Risks**

*Credit Risk* – Credit risk is the risk that the counterparty will not fulfill its obligations. As of June 30, 2013, 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.

*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, 2013, 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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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

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

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

**VI. COMMITMENTS AND CONTINGENCIES**

**A. FEDERAL GRANTS**

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

**B. LITIGATION**

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

**VII. OTHER INFORMATION**

**A. SUBSEQUENT EVENTS**

On July 9, 2013, the City executed a development agreement with a private developer to develop approximately 165 acres of land within the City of Columbia. Any City commitment is expected to occur during the first five years of the twenty-year agreement. The agreement requires a minimum level of investment by the developer. Prior to the City being required to incur any of the preceding costs, the developer is required to have obtained funding and commitments to construct taxable improvements of various amounts ranging from \$25,000,000 to \$81,250,000. If these minimum amounts of taxable improvements are not obtained, the City is under no obligation to incur any costs.

If the developer attains the minimum amount of investment the City is obligated to provide infrastructure and other items at no cost to the developer. The costs are to be incurred in four phases. The City estimates the public infrastructure costs during phase one will approximate \$5,250,000. The City's parking facility commitment is estimated to cost approximately \$16,000,000. Public infrastructure costs during phase two are estimated to cost approximately \$7,965,800. During phase three, public infrastructure costs are estimated to cost approximately \$2,179,400. During phase four public infrastructure costs are estimated to be approximately \$15,840,800. The City has not identified a definite funding source for these potential commitments. While the costs indicated in the agreement represent the City's best estimate at the time of signing the agreement, actual costs will probably be different.

On December 4, 2013, the City issued \$7,315,000 in general obligation bonds, Series 2013. 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.

**CITY OF COLUMBIA, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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**VII. OTHER INFORMATION (Continued)**

**A. SUBSEQUENT EVENTS (Continued)**

On December 18, 2013, the City issued \$75,305,000 in water and sewer revenue bonds, Series 2013. These bonds are payable from revenues from the City's water and sewer system. The bonds are issued to fund the costs to expand and improve the water and sewer system.

**B. PENDING IMPLEMENTATION OF GASB 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.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, intends to enhance comparability of financial statements among governments by requiring consistent reporting and enhance information disclosed about a government's obligations and risk exposure extending from nonfinancial guarantees. 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.

While the effects of the implementation of GASB Statements Nos. 65 and 68 have not been determined at this time, it is anticipated the statements, when implemented, will materially decrease the City's Net Position.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF COLUMBIA, SOUTH CAROLINA  
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS -  
OTHER POSTEMPLOYMENT BENEFITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(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						
7/1/2012	\$ -	\$ 108,363,404	\$ 108,363,404	0%	\$ 90,099,630	120.27%
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%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Liability	Percent of OPEB Cost Contributed
Primary Government				
2013	\$ 8,146,966	\$ 4,993,487	\$ 45,803,720	61.29%
2012	7,826,383	5,076,142	42,650,241	64.86%
2011	16,520,860	4,658,376	39,900,000	28.20%

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

**For the Year Ended June 30, 2013**

	<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	\$ 50,644,107	\$ 989,024
Admission taxes	-	-	95,178	95,178
License and permits	28,680,621	28,680,621	30,505,429	1,824,808
Intergovernmental revenue	11,221,481	11,221,481	13,540,185	2,318,704
Charges for services	12,989,000	12,989,000	11,845,570	(1,143,430)
Fines and forfeitures	998,500	998,500	1,083,670	85,170
Revenues from use of money and property	50,000	50,000	659	(49,341)
Other revenues	110,537	110,537	300,543	190,006
<b>Total revenues</b>	<b>103,705,222</b>	<b>103,705,222</b>	<b>108,015,341</b>	<b>4,310,119</b>
<b>EXPENDITURES:</b>				
General government	7,290,384	7,347,526	6,861,250	486,276
Judicial	2,522,332	2,544,297	2,494,267	50,030
Finance department	2,115,898	2,115,898	1,978,474	137,424
Development services and planning	4,371,658	4,371,658	4,041,701	329,957
Public safety	52,755,894	54,171,371	52,753,357	1,418,014
Parks and recreation	9,643,338	9,802,319	9,615,125	187,194
Public works	17,848,562	19,462,770	17,878,520	1,584,250
General services	4,863,096	4,857,864	4,510,182	347,682
Community promotion	-	261,202	333,687	(72,485)
Nondepartmental	3,460,817	3,460,817	3,902,432	(441,615)
<b>Total expenditures</b>	<b>104,871,979</b>	<b>108,395,722</b>	<b>104,368,995</b>	<b>4,026,727</b>
<b>Excess (deficiency of revenues over (under) expenditures</b>	<b>(1,166,757)</b>	<b>(4,690,500)</b>	<b>3,646,346</b>	<b>8,336,846</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	16,962,103	17,058,174	16,813,180	(244,994)
Transfers (out)	(16,014,346)	(12,586,674)	(11,289,637)	1,297,037
Sale of capital assets	219,000	219,000	225,883	6,883
<b>Total other financing sources (uses)</b>	<b>1,166,757</b>	<b>4,690,500</b>	<b>5,749,426</b>	<b>1,058,926</b>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses</b>	<b>-</b>	<b>-</b>	<b>9,395,772</b>	<b>9,395,772</b>
Fund balance - beginning	15,443,067	15,443,067	15,443,067	-
<b>Fund balance - ending</b>	<b>\$ 15,443,067</b>	<b>\$ 15,443,067</b>	<b>\$ 24,838,839</b>	<b>\$ 9,395,772</b>

See accompanying Notes to Budgetary Comparison Schedule.

**CITY OF COLUMBIA, SOUTH CAROLINA  
NOTES TO BUDGETARY COMPARISON SCHEDULE (UNAUDITED)  
YEAR ENDED JUNE 30, 2013**

**Budget and Budgetary Accounting**

A legal operating budget is prepared annually for the General Fund on the GAAP basis (modified accrual basis of accounting). 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.

**Schedule of Changes in Appropriated Budget  
For Year Ended June 30, 2013**

	Original Adopted Budget	Final Budget Amendments	Revised Budget
General Fund	\$ 120,886,325	\$ 96,071	\$ 120,982,396

## **SUPPLEMENTARY INFORMATION**

**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, 2013

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
General property taxes				
General property taxes - current	\$ 45,293,947	\$ 45,293,947	\$ 46,266,163	\$ 972,216
Real estate tax - Lexington County - current	2,552,039	2,552,039	2,436,618	(115,421)
Real estate tax - Lexington County - prior	-	-	20,778	20,778
Personal tax - Lexington County - current	-	-	38,768	38,768
Homestead exemption	1,050,000	1,050,000	1,070,649	20,649
Payment in lieu of taxes	56,145	56,145	55,979	(166)
Merchants inventory tax	702,952	702,952	755,152	52,200
<b>Total general property taxes</b>	<b>49,655,083</b>	<b>49,655,083</b>	<b>50,644,107</b>	<b>989,024</b>
Admission taxes	-	-	95,178	95,178
License and permits				
Business license	8,500,000	8,500,000	9,716,839	1,216,839
Business license - Telecommunications	1,050,000	1,050,000	855,353	(194,647)
Business license - Insurance	10,200,000	10,200,000	10,687,258	487,258
Delinquent business license	73,000	73,000	187,971	114,971
Business license franchise fees	7,735,621	7,735,621	7,437,487	(298,134)
Franchise fees - vendors	1,200	1,200	-	(1,200)
Arts and craft permits	1,700	1,700	1,450	(250)
New business list sales	-	-	224	224
Business license ordinance sales	-	-	1,450	1,450
Business license contractor's decals	24,000	24,000	29,662	5,662
Group event license/permit	7,000	7,000	7,953	953
Building permits	714,000	714,000	980,127	266,127
Electrical permits	142,800	142,800	121,172	(21,628)
Plumbing permits	40,800	40,800	80,089	39,289
Gas permits	8,200	8,200	8,424	224
Sign permits	11,750	11,750	18,550	6,800
Heat permits	6,800	6,800	146,763	139,963
Zoning permits	44,000	44,000	47,543	3,543
Dog license	35,000	35,000	40,401	5,401
Chauffeur license	-	-	4,488	4,488
Other miscellaneous - business	82,750	82,750	130,497	47,747
Other miscellaneous - non-business	2,000	2,000	1,728	(272)
<b>Total license and permits</b>	<b>28,680,621</b>	<b>28,680,621</b>	<b>30,505,429</b>	<b>1,824,808</b>
Intergovernmental revenues				
State shared	2,346,008	2,346,008	2,788,097	442,089
School resource officer services	186,565	186,565	63,676	(122,889)
SC Motor fuel tax reimbursement	-	-	3,566	3,566
USC parking garage revenues	-	-	1,335,526	1,335,526
Highway signal maintenance	288,908	288,908	291,335	2,427
Fire rebate - Richland County	8,400,000	8,400,000	9,057,985	657,985
<b>Total intergovernmental revenues</b>	<b>11,221,481</b>	<b>11,221,481</b>	<b>13,540,185</b>	<b>2,318,704</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, 2013

	Original Budget	Final Budget	Actual	Variance
Charges for services				
Trade publication renewals	\$ 7,750	\$ 7,750	\$ 6,431	\$ (1,319)
Support services	2,270,000	2,270,000	-	(2,270,000)
Return check service charges	-	-	1,920	1,920
Regulation code books	-	-	25	25
Duplicated business licenses	400	400	250	(150)
Compost sales	5,000	5,000	8,445	3,445
Recycling sales	95,000	95,000	116,158	21,158
Solid waste disposal fees	15,000	15,000	13,675	(1,325)
Commercial bulk container collection	-	-	1,077	1,077
Commercial bulk container disposal	-	-	1,069	1,069
Commercial roll cart disposal	59,000	59,000	44,791	(14,209)
Eleemosynary roll cart collection	30,000	30,000	29,346	(654)
Eleemosynary roll cart disposal	7,500	7,500	7,272	(228)
Eleemosynary homeowner collection	10,000	10,000	6,941	(3,059)
Eleemosynary homeowner disposal	2,500	2,500	1,720	(780)
Six night service disposal	20,000	20,000	19,412	(588)
Tree and forestry lot clearance fees	-	-	6,109	6,109
Animal shelter fees - Richland County	284,000	284,000	294,257	10,257
Animal shelter fees	150,000	150,000	135,068	(14,932)
Employee animal clinic fees	1,000	1,000	347	(653)
Hydrant fees	9,475,000	9,475,000	10,378,600	903,600
Police accident report copies	30,000	30,000	34,015	4,015
Reimbursement police services	550	550	71,273	70,723
False fire alarm charges	20,000	20,000	10,192	(9,808)
Maxcy Gregg admission fees	14,000	14,000	15,678	1,678
Drew Park admission fees	310,000	310,000	290,142	(19,858)
Greenview pool admission fees	15,000	15,000	4,152	(10,848)
Recreation athletics	45,800	45,800	45,406	(394)
Tennis court fees	55,500	55,500	66,381	10,881
Other parks/recreation fees	51,000	51,000	211,080	160,080
Ticket rebate - Capital City Ball Park	-	-	12,000	12,000
Finlay Park ground reservation	15,000	15,000	12,338	(2,662)
<b>Total charges for services</b>	<b>12,989,000</b>	<b>12,989,000</b>	<b>11,845,570</b>	<b>(1,143,430)</b>
Fines and forfeitures				
Criminal court fines	175,000	175,000	1,074,498	899,498
Traffic court fines	780,000	780,000	(2,534)	(782,534)
Bond forfeiture from county courts	-	-	5,797	5,797
Late fees	13,500	13,500	5,103	(8,397)
Uniform ordinance inspections	3,000	3,000	-	(3,000)
Uniform ordinance animal control	2,000	2,000	-	(2,000)
Uniform ordinance business license	10,000	10,000	-	(10,000)
Uniform ordinance fire department	15,000	15,000	-	(15,000)
Uniform ordinance environmental health	-	-	806	806
<b>Total fines and forfeitures</b>	<b>998,500</b>	<b>998,500</b>	<b>1,083,670</b>	<b>85,170</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, 2013

	<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	\$ 50,000	\$ 50,000	\$ 69,320	\$ 19,320
Interest gain (loss) cost/market	-	-	(68,661)	(68,661)
<b>Total revenues from use of money and property</b>	<u>50,000</u>	<u>50,000</u>	<u>659</u>	<u>(49,341)</u>
Other revenues				
Miscellaneous revenue	22,700	22,700	221,054	198,354
Reimbursement property damage	1,050	1,050	-	(1,050)
Collection agency	1,250	1,250	-	(1,250)
Rents and royalties	85,537	85,537	79,489	(6,048)
<b>Total other revenues</b>	<u>110,537</u>	<u>110,537</u>	<u>300,543</u>	<u>190,006</u>
<b>TOTAL REVENUES</b>	<u>103,705,222</u>	<u>103,705,222</u>	<u>108,015,341</u>	<u>4,310,119</u>
<b>OTHER FINANCING SOURCES</b>				
Sale of capital assets	<u>219,000</u>	<u>219,000</u>	<u>225,883</u>	<u>6,883</u>
Transfers from				
Water and sewer operating fund	4,500,000	4,500,000	6,770,000	2,270,000
Hospitality fund	2,800,000	2,800,000	2,800,000	-
Accommodations fund	25,000	25,000	25,000	-
Other funds	7,637,103	7,637,103	7,218,180	(418,923)
Unappropriated surplus transfer	2,000,000	2,096,071	-	(2,096,071)
<b>Total transfers</b>	<u>16,962,103</u>	<u>17,058,174</u>	<u>16,813,180</u>	<u>(244,994)</u>
<b>Total other financing sources</b>	<u>17,181,103</u>	<u>17,277,174</u>	<u>17,039,063</u>	<u>(238,111)</u>
<b>Total revenues and other financing sources</b>	<u>\$ 120,886,325</u>	<u>\$ 120,982,396</u>	<u>\$ 125,054,404</u>	<u>\$ 4,072,008</u>

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

For the Year Ended June 30, 2013

<b>EXPENDITURES</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>General government</b>				
Legislative				
Personnel services	\$ 395,424	\$ 395,424	\$ 408,599	\$ (13,175)
Supplies	21,850	21,600	20,973	627
Other services and charges	<u>208,600</u>	<u>176,445</u>	<u>118,759</u>	<u>57,686</u>
Total legislative	<u>625,874</u>	<u>593,469</u>	<u>548,331</u>	<u>45,138</u>
Executive/Administration				
Personnel services	670,796	670,796	803,017	(132,221)
Supplies	32,450	59,825	23,597	36,228
Other services and charges	<u>114,016</u>	<u>114,016</u>	<u>72,347</u>	<u>41,669</u>
Total executive/administration	<u>817,262</u>	<u>844,637</u>	<u>898,961</u>	<u>(54,324)</u>
Governmental Affairs				
Personnel services	364,675	364,675	322,906	41,769
Supplies	16,805	16,805	43,958	(27,153)
Other services and charges	<u>246,550</u>	<u>246,550</u>	<u>181,111</u>	<u>65,439</u>
Total governmental affairs	<u>628,030</u>	<u>628,030</u>	<u>547,975</u>	<u>80,055</u>
Senior Assistant City Manager				
Personnel services	241,369	241,369	246,543	(5,174)
Supplies	6,655	1,814	4,834	(3,020)
Other services and charges	<u>40,409</u>	<u>35,767</u>	<u>32,089</u>	<u>3,678</u>
Total senior assistant city manager	<u>288,433</u>	<u>278,950</u>	<u>283,466</u>	<u>(4,516)</u>
Assistant City Manager for Operations				
Personnel services	308,829	308,829	277,350	31,479
Supplies	6,700	6,700	5,022	1,678
Other services and charges	<u>5,185</u>	<u>5,185</u>	<u>929</u>	<u>4,256</u>
Total assistant city manager for operations	<u>320,714</u>	<u>320,714</u>	<u>283,301</u>	<u>37,413</u>
Citizen's Support Services				
Personnel services	351,829	351,829	366,738	(14,909)
Supplies	34,750	25,676	25,964	(288)
Other services and charges	6,380	7,769	4,978	2,791
Capital outlay	<u>-</u>	<u>7,685</u>	<u>-</u>	<u>7,685</u>
Total citizen's support services	<u>392,959</u>	<u>392,959</u>	<u>397,680</u>	<u>(4,721)</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, 2013

	Original Budget	Final Budget	Actual	Variance
Office of Business Opportunities				
Personnel services	\$ 667,595	\$ 667,595	\$ 733,211	\$ (65,616)
Supplies	37,050	41,050	26,931	14,119
Other services and charges	171,217	167,217	143,268	23,949
Total business enterprise office	<u>875,862</u>	<u>875,862</u>	<u>903,410</u>	<u>(27,548)</u>
Human Resources and Training				
Personnel services	788,084	790,489	802,062	(11,573)
Supplies	45,787	42,787	29,887	12,900
Other services and charges	36,153	39,153	23,690	15,463
Total human resources and training	<u>870,024</u>	<u>872,429</u>	<u>855,639</u>	<u>16,790</u>
Legal				
Personnel services	970,157	970,157	904,012	66,145
Supplies	60,412	60,737	44,832	15,905
Other services and charges	959,382	959,307	645,791	313,516
Total legal	<u>1,989,951</u>	<u>1,990,201</u>	<u>1,594,635</u>	<u>395,566</u>
Public Information				
Personnel services	389,803	389,803	388,462	1,341
Supplies	50,603	46,433	45,575	858
Other services and charges	40,869	114,039	113,815	224
Total public information	<u>481,275</u>	<u>550,275</u>	<u>547,852</u>	<u>2,423</u>
<b>Total General Government</b>	<u>7,290,384</u>	<u>7,347,526</u>	<u>6,861,250</u>	<u>486,276</u>
<b>Judicial</b>				
Municipal Court				
Personnel services	2,207,567	2,207,567	2,176,457	31,110
Supplies	72,445	79,245	73,802	5,443
Other services and charges	242,320	235,520	222,026	13,494
Capital outlay	-	21,965	21,982	(17)
Total municipal court	<u>2,522,332</u>	<u>2,544,297</u>	<u>2,494,267</u>	<u>50,030</u>
<b>Total Judicial</b>	<u>2,522,332</u>	<u>2,544,297</u>	<u>2,494,267</u>	<u>50,030</u>
<b>Finance Department</b>				
Administration				
Personnel services	139,460	139,460	153,828	(14,368)
Supplies	5,000	5,000	3,623	1,377
Other services and charges	72,760	72,760	54,806	17,954
Total administration	<u>217,220</u>	<u>217,220</u>	<u>212,257</u>	<u>4,963</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, 2013

	Original Budget	Final Budget	Actual	Variance
Accounting				
Personnel services	\$ 770,396	\$ 770,396	\$ 711,541	\$ 58,855
Supplies	24,945	24,945	19,224	5,721
Other services and charges	115,490	115,490	64,172	51,318
Total accounting	<u>910,831</u>	<u>910,831</u>	<u>794,937</u>	<u>115,894</u>
Business License				
Personnel services	658,236	658,236	634,756	23,480
Supplies	25,638	25,138	20,745	4,393
Other services and charges	68,735	69,235	98,358	(29,123)
Total business license	<u>752,609</u>	<u>752,609</u>	<u>753,859</u>	<u>(1,250)</u>
Treasury				
Personnel services	169,478	169,478	186,012	(16,534)
Supplies	3,785	3,785	232	3,553
Other services and charges	61,975	61,975	31,177	30,798
Total treasury	<u>235,238</u>	<u>235,238</u>	<u>217,421</u>	<u>17,817</u>
<b>Total Finance Department</b>	<u>2,115,898</u>	<u>2,115,898</u>	<u>1,978,474</u>	<u>137,424</u>
<b>Development Services and Planning</b>				
Development Services				
Personnel services	3,731,343	3,731,343	3,696,939	34,404
Supplies	204,295	204,295	127,185	77,110
Other services and charges	436,020	436,020	217,577	218,443
Total development services	<u>4,371,658</u>	<u>4,371,658</u>	<u>4,041,701</u>	<u>329,957</u>
<b>Total Development Services     and Planning</b>	<u>4,371,658</u>	<u>4,371,658</u>	<u>4,041,701</u>	<u>329,957</u>
<b>Public Safety</b>				
<b>Police Department</b>				
Administrative Services				
Personnel services	3,090,613	3,090,613	2,431,499	659,114
Supplies	816,869	816,869	663,968	152,901
Other services and charges	1,392,747	1,374,073	1,235,835	138,238
Total administrative services	<u>5,300,229</u>	<u>5,281,555</u>	<u>4,331,302</u>	<u>950,253</u>
Operations				
Personnel services	15,910,457	15,910,457	16,060,438	(149,981)
Supplies	1,196,878	1,206,823	974,375	232,448
Other services and charges	553,794	572,468	772,558	(200,090)
Capital outlay	-	840,954	848,653	(7,699)
Total operations	<u>17,661,129</u>	<u>18,530,702</u>	<u>18,656,024</u>	<u>(125,322)</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, 2013

	Original Budget	Final Budget	Actual	Variance
Special Services				
Personnel services	\$ 7,355,549	\$ 7,355,549	\$ 8,046,236	\$ (690,687)
Supplies	289,209	613,488	570,539	42,949
Other services and charges	204,040	204,040	173,905	30,135
Capital outlay	-	246,999	247,138	(139)
	<u>7,848,798</u>	<u>8,420,076</u>	<u>9,037,818</u>	<u>(617,742)</u>
<b>Total special services</b>				
<b>Total Police Department</b>	<u>30,810,156</u>	<u>32,232,333</u>	<u>32,025,144</u>	<u>207,189</u>
<b>Fire Department - City</b>				
Administration				
Personnel services	886,393	886,393	768,706	117,687
Supplies	30,719	30,719	20,842	9,877
Other services and charges	25,080	25,080	13,716	11,364
	<u>942,192</u>	<u>942,192</u>	<u>803,264</u>	<u>138,928</u>
<b>Total administration</b>				
Fire Prevention				
Personnel services	1,029,746	1,029,746	1,065,222	(35,476)
Supplies	82,574	83,874	60,915	22,959
Other services and charges	81,930	80,630	45,369	35,261
	<u>1,194,250</u>	<u>1,194,250</u>	<u>1,171,506</u>	<u>22,744</u>
<b>Total fire prevention</b>				
Fire Suppression				
Personnel services	14,299,317	14,299,317	13,995,114	304,203
Supplies	1,202,810	1,205,610	951,231	254,379
Other services and charges	1,364,968	1,342,518	1,150,929	191,589
Capital outlay	30,000	42,950	28,540	14,410
	<u>16,897,095</u>	<u>16,890,395</u>	<u>16,125,814</u>	<u>764,581</u>
<b>Total fire suppression</b>				
Fire Logistics				
Personnel services	125,894	125,894	135,020	(9,126)
Supplies	105,605	105,605	74,578	31,027
Other services and charges	72,170	72,170	40,455	31,715
Capital outlay	-	-	29,601	(29,601)
	<u>303,669</u>	<u>303,669</u>	<u>279,654</u>	<u>24,015</u>
<b>Total fire logistics</b>				
<b>Total Fire Department - City</b>	<u>19,337,206</u>	<u>19,330,506</u>	<u>18,380,238</u>	<u>950,268</u>
<b>911 Emergency and 311 Center</b>				
Personnel services	2,349,682	2,349,682	2,205,723	143,959
Supplies	45,800	45,800	41,199	4,601
Other services and charges	213,050	213,050	101,053	111,997
	<u>2,608,532</u>	<u>2,608,532</u>	<u>2,347,975</u>	<u>260,557</u>
<b>Total 911 Emergency and 311 Center</b>				
<b>Total Public Safety</b>	<u>52,755,894</u>	<u>54,171,371</u>	<u>52,753,357</u>	<u>1,418,014</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, 2013

	Original Budget	Final Budget	Actual	Variance
<b>Parks and Recreation</b>				
Recreation				
Personnel services	\$ 3,186,800	\$ 3,189,205	\$ 3,111,554	\$ 77,651
Supplies	64,595	96,594	93,768	2,826
Other services and charges	290,273	283,593	302,636	(19,043)
Special events	25,400	24,389	23,316	1,073
Total recreation	<u>3,567,068</u>	<u>3,593,781</u>	<u>3,531,274</u>	<u>62,507</u>
Parks				
Personnel services	4,451,395	4,451,395	4,377,654	73,741
Supplies	303,130	345,027	320,626	24,401
Other services and charges	1,014,479	976,444	964,124	12,320
Capital outlay	-	128,506	128,539	(33)
Total parks	<u>5,769,004</u>	<u>5,901,372</u>	<u>5,790,943</u>	<u>110,429</u>
Swimming Pools				
Personnel services	125,438	125,438	105,469	19,969
Supplies	2,087	2,087	2,058	29
Other services and charges	600	600	1,135	(535)
Total swimming pools	<u>128,125</u>	<u>128,125</u>	<u>108,662</u>	<u>19,463</u>
Tennis Courts				
Personnel services	178,141	178,141	183,420	(5,279)
Supplies	1,000	900	826	74
Total tennis courts	<u>179,141</u>	<u>179,041</u>	<u>184,246</u>	<u>(5,205)</u>
<b>Total Parks and Recreation</b>	<u>9,643,338</u>	<u>9,802,319</u>	<u>9,615,125</u>	<u>187,194</u>
<b>Public Works</b>				
Administration				
Personnel services	329,525	329,525	219,840	109,685
Supplies	27,650	30,650	22,313	8,337
Other services and charges	108,650	105,650	102,119	3,531
Total administration	<u>465,825</u>	<u>465,825</u>	<u>344,272</u>	<u>121,553</u>
Solid Waste				
Personnel services	4,437,507	4,437,507	4,355,254	82,253
Supplies	1,327,896	1,332,346	1,030,033	302,313
Other services and charges	2,344,535	2,279,584	1,964,408	315,176
Capital outlay	15,000	1,238,774	1,248,003	(9,229)
Total solid waste	<u>8,124,938</u>	<u>9,288,211</u>	<u>8,597,698</u>	<u>690,513</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, 2013

	Original Budget	Final Budget	Actual	Variance
Streets and Storm Drains				
Personnel services	\$ 1,732,974	\$ 1,732,974	\$ 1,527,763	\$ 205,211
Supplies	234,110	240,610	166,946	73,664
Other services and charges	108,075	108,075	70,875	37,200
Capital outlay	30,000	125,530	121,531	3,999
Total streets and storm drains	<u>2,105,159</u>	<u>2,207,189</u>	<u>1,887,115</u>	<u>320,074</u>
Animal Control				
Personnel services	1,037,580	1,037,580	1,056,249	(18,669)
Supplies	174,266	159,223	132,087	27,136
Other services and charges	126,671	141,714	119,964	21,750
Capital outlay	17,332	49,716	31,657	18,059
Total animal control	<u>1,355,849</u>	<u>1,388,233</u>	<u>1,339,957</u>	<u>48,276</u>
Forestry and Beautification				
Personnel services	1,754,158	1,741,158	1,351,403	389,755
Supplies	240,002	240,002	182,597	57,405
Other services and charges	250,921	250,921	234,406	16,515
Capital outlay	8,500	287,420	287,521	(101)
Total forestry and beautification	<u>2,253,581</u>	<u>2,519,501</u>	<u>2,055,927</u>	<u>463,574</u>
Traffic Engineering				
Personnel services	1,313,191	1,326,191	1,345,546	(19,355)
Supplies	198,068	200,968	161,406	39,562
Other services and charges	2,018,351	2,053,052	2,146,599	(93,547)
Capital outlay	13,600	13,600	-	13,600
Total traffic engineering	<u>3,543,210</u>	<u>3,593,811</u>	<u>3,653,551</u>	<u>(59,740)</u>
<b>Total Public Works</b>	<u>17,848,562</u>	<u>19,462,770</u>	<u>17,878,520</u>	<u>1,584,250</u>
<b>General Services</b>				
Information Technology				
Personnel services	1,815,979	1,678,479	1,536,361	142,118
Supplies	140,742	140,742	131,354	9,388
Other services and charges	1,183,148	1,352,943	1,307,460	45,483
Capital outlay	68,326	68,326	5,826	62,500
Total information technology	<u>3,208,195</u>	<u>3,240,490</u>	<u>2,981,001</u>	<u>259,489</u>
Support Services				
Personnel services	462,452	462,452	444,890	17,562
Supplies	61,044	61,044	43,515	17,529
Other services and charges	1,081,405	1,071,405	1,013,111	58,294
Capital outlay	50,000	22,473	27,665	(5,192)
Total public buildings	<u>1,654,901</u>	<u>1,617,374</u>	<u>1,529,181</u>	<u>88,193</u>
<b>Total General Services</b>	<u>4,863,096</u>	<u>4,857,864</u>	<u>4,510,182</u>	<u>347,682</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, 2013

	Original Budget	Final Budget	Actual	Variance
<b>Community Promotion</b>				
Other services and charges	\$ -	\$ -	\$ 78,933	\$ (78,933)
Community promotion	-	261,202	254,754	6,448
<b>Total Community Promotion</b>	-	261,202	333,687	(72,485)
<b>Nondepartmental</b>				
Contingencies				
Other services and charges	1,955,817	1,955,817	859,316	1,096,501
Total contingencies	1,955,817	1,955,817	859,316	1,096,501
Administration				
Other services and charges	505,000	505,000	545,505	(40,505)
Total administration	505,000	505,000	545,505	(40,505)
Homeless Services				
Other services and charges	1,000,000	1,000,000	1,069,926	(69,926)
Total homeless services	1,000,000	1,000,000	1,069,926	(69,926)
Debt Service				
Principal payments on debt	-	-	500,000	(500,000)
Interest payments on debt	-	-	927,685	(927,685)
Total debt service	-	-	1,427,685	(1,427,685)
<b>Total Nondepartmental</b>	3,460,817	3,460,817	3,902,432	(441,615)
<b>TOTAL EXPENDITURES</b>	104,871,979	108,395,722	104,368,995	4,026,727
<b>OTHER FINANCING USES</b>				
Transfers to Other Funds				
Debt service	5,502,636	5,502,636	5,502,636	-
Transfers interfund	10,511,710	7,084,038	5,787,001	1,297,037
<b>Total Transfers to Other Funds</b>	16,014,346	12,586,674	11,289,637	1,297,037
<b>Total Other Financing Uses</b>	16,014,346	12,586,674	11,289,637	1,297,037
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>\$ 120,886,325</b>	<b>\$ 120,982,396</b>	<b>\$ 115,658,632</b>	<b>\$ 5,323,764</b>

## 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.

### 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, 2013

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>ASSETS</b>											
Cash and cash equivalents	\$ -	\$ -	\$ 206,166	\$ 591,277	\$ 2,187,238	\$ -	\$ -	\$ 7,473	\$ 252,231	\$ -	\$ 3,244,385
Investments	-	-	-	154,531	-	-	-	-	-	1,789,868	1,944,399
Due from the Federal government	-	-	-	-	-	-	802,132	455,471	-	-	1,257,603
Due from State government	31,080	-	756,644	-	-	-	-	-	-	-	787,724
Due from County government	-	-	-	-	-	-	-	-	-	465,719	465,719
Accounts receivable	-	-	-	-	-	-	-	25,179	-	-	25,179
Accrued interest receivable	-	-	-	-	-	-	-	-	-	24	24
Note receivable	-	-	-	-	-	2,626,350	-	-	-	-	2,626,350
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 31,080</b>	<b>\$ -</b>	<b>\$ 962,810</b>	<b>\$ 745,808</b>	<b>\$ 2,187,238</b>	<b>\$ 2,626,350</b>	<b>\$ 802,132</b>	<b>\$ 488,123</b>	<b>\$ 252,231</b>	<b>\$ 2,255,611</b>	<b>\$ 10,351,383</b>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>Liabilities</b>											
Accounts payable	\$ 4,001	\$ -	\$ 250,087	\$ 1,506	\$ 6,107	\$ 2,626,350	\$ 182,330	\$ 51,403	\$ 40,558	\$ -	\$ 3,162,342
Accrued salaries and benefits	-	-	-	-	-	-	23,494	14,990	3,221	-	41,705
Retainage payable	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	154,531	-	-	727	9,925	-	-	165,183
Due to other funds	179,638	-	-	-	-	-	595,581	411,805	-	-	1,187,024
<b>Total liabilities</b>	<b>183,639</b>	<b>-</b>	<b>250,087</b>	<b>156,037</b>	<b>6,107</b>	<b>2,626,350</b>	<b>802,132</b>	<b>488,123</b>	<b>43,779</b>	<b>-</b>	<b>4,556,254</b>
<b>Fund balances</b>											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	712,723	589,771	2,181,131	-	-	-	208,452	2,255,611	5,947,688
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	(152,559)	-	-	-	-	-	-	-	-	-	(152,559)
<b>Total fund balances</b>	<b>(152,559)</b>	<b>-</b>	<b>712,723</b>	<b>589,771</b>	<b>2,181,131</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>208,452</b>	<b>2,255,611</b>	<b>5,795,129</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 31,080</b>	<b>\$ -</b>	<b>\$ 962,810</b>	<b>\$ 745,808</b>	<b>\$ 2,187,238</b>	<b>\$ 2,626,350</b>	<b>\$ 802,132</b>	<b>\$ 488,123</b>	<b>\$ 252,231</b>	<b>\$ 2,255,611</b>	<b>\$ 10,351,383</b>

(Continued)

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

June 30, 2013

	Debt Service Fund	Capital Projects				Total	Permanent Trust	Total Nonmajor Governmental Funds
		Congaree Vista District	Streetscaping	General Capital Projects	Miscellaneous Projects		Dickson Trust	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 3,339,193	\$ 5,918,166	\$ 7,991,960	\$ 4,506,413	\$ 2,836,697	\$ 21,253,236	\$ -	\$ 27,836,814
Investments	172,842	-	-	-	7,194,812	7,194,812	5,578	9,317,631
Due from the Federal government	-	-	61,421	-	-	61,421	-	1,319,024
Due from State government	-	-	-	147,352	-	147,352	-	935,076
Due from County government	-	-	-	-	85,597	85,597	-	551,316
Accounts receivable	-	-	-	-	-	-	-	25,179
Accrued interest receivable	-	-	-	-	15	15	-	39
Notes receivable	-	-	-	-	-	-	-	2,626,350
Due from other funds	-	-	-	426,824	818,172	1,244,996	-	1,244,996
<b>TOTAL ASSETS</b>	<b>\$ 3,512,035</b>	<b>\$ 5,918,166</b>	<b>\$ 8,053,381</b>	<b>\$ 5,080,589</b>	<b>\$ 10,935,293</b>	<b>\$ 29,987,429</b>	<b>\$ 5,578</b>	<b>\$ 43,856,425</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities								
Accounts payable	\$ -	\$ 333,652	\$ 212,267	\$ 269,823	\$ 118	\$ 815,860	\$ -	\$ 3,978,202
Accrued salaries and benefits	-	-	-	-	-	-	-	41,705
Retainage payable	-	-	38,287	-	10,120	48,407	-	48,407
Deferred revenue	-	-	10,000	-	-	10,000	-	175,183
Due to other funds	-	-	-	-	1,244,996	1,244,996	-	2,432,020
Total liabilities	-	333,652	260,554	269,823	1,255,234	2,119,263	-	6,675,517
Fund balances								
Nonspendable	-	-	-	-	-	-	5,000	5,000
Restricted	3,512,035	5,584,514	-	-	9,680,059	15,264,573	578	24,724,874
Assigned	-	-	7,792,827	4,810,766	-	12,603,593	-	12,603,593
Unassigned	-	-	-	-	-	-	-	(152,559)
Total fund balances	3,512,035	5,584,514	7,792,827	4,810,766	9,680,059	27,868,166	5,578	37,180,908
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,512,035</b>	<b>\$ 5,918,166</b>	<b>\$ 8,053,381</b>	<b>\$ 5,080,589</b>	<b>\$ 10,935,293</b>	<b>\$ 29,987,429</b>	<b>\$ 5,578</b>	<b>\$ 43,856,425</b>

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

Year Ended June 30, 2013

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,280,731	\$ 2,171,338	\$ -	\$ -	\$ 5,452,069
State government	365,801	-	-	-	-	-	-	-	-	-	365,801
County government	-	749,485	-	-	-	-	-	-	-	5,180,687	5,930,172
Promotions	-	-	-	-	-	-	-	-	89,314	-	89,314
Charges for services	-	-	-	-	-	-	-	-	19,940	-	19,940
Fines and forfeitures	-	-	-	-	-	-	-	-	146,549	-	146,549
Confiscated funds	-	-	-	533,541	-	-	-	-	-	-	533,541
Sales and hospitality taxes	-	-	1,952,261	-	9,450,931	-	-	-	-	-	11,403,192
Interest income	-	-	-	366	23,196	-	-	-	-	287	23,849
Other revenue	-	-	-	-	-	-	408,620	-	-	-	408,620
<b>Total revenues</b>	<b>365,801</b>	<b>749,485</b>	<b>1,952,261</b>	<b>533,907</b>	<b>9,474,127</b>	<b>-</b>	<b>3,280,731</b>	<b>2,579,958</b>	<b>255,803</b>	<b>5,180,974</b>	<b>24,373,047</b>
<b>EXPENDITURES</b>											
Current											
General government	-	-	34,671	-	-	-	-	21,033	-	-	55,704
Public safety	-	-	-	212,329	9,951	-	-	1,755,275	215,558	-	2,193,113
Public services	-	-	-	-	-	3,818,029	-	461,536	-	-	4,279,565
Community promotion	4,001	749,485	1,526,150	-	5,202,704	-	2,819,943	-	177,909	2,525,376	13,005,568
Debt Service											
Principal	-	-	-	-	-	-	-	-	-	2,315,000	2,315,000
Interest and other charges	-	-	-	-	-	-	-	-	-	450,616	450,616
Fiscal agent charges	-	-	-	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-	-	344,316	344,316
Capital Outlay											
Capital outlay	-	-	-	117,964	-	-	-	229,661	-	-	347,625
<b>Total expenditures</b>	<b>4,001</b>	<b>749,485</b>	<b>1,560,821</b>	<b>330,293</b>	<b>5,212,655</b>	<b>3,818,029</b>	<b>2,819,943</b>	<b>2,467,505</b>	<b>393,467</b>	<b>5,635,308</b>	<b>22,991,507</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>361,800</b>	<b>-</b>	<b>391,440</b>	<b>203,614</b>	<b>4,261,472</b>	<b>(3,818,029)</b>	<b>460,788</b>	<b>112,453</b>	<b>(137,664)</b>	<b>(454,334)</b>	<b>1,381,540</b>
<b>OTHER FINANCING SOURCES (USES)</b>											
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-	-	24,260,000	24,260,000
Premium on bond issuance	-	-	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	(23,915,684)	(23,915,684)
Transfers in	-	-	-	-	-	-	778,249	16,436	102,572	-	897,257
Transfers out	(300,000)	-	(25,000)	-	(4,146,949)	-	(1,239,037)	(128,889)	(159,560)	-	(5,999,435)
<b>Total other financing sources and uses</b>	<b>(300,000)</b>	<b>-</b>	<b>(25,000)</b>	<b>-</b>	<b>(4,146,949)</b>	<b>-</b>	<b>(460,788)</b>	<b>(112,453)</b>	<b>(56,988)</b>	<b>344,316</b>	<b>(4,757,862)</b>
Net change in fund balances	61,800	-	366,440	203,614	114,523	(3,818,029)	-	-	(194,652)	(110,018)	(3,376,322)
Fund balances - beginning	(214,359)	-	346,283	386,157	2,066,608	3,818,029	-	-	403,104	2,365,629	9,171,451
<b>Fund balances - ending</b>	<b>\$ (152,559)</b>	<b>\$ -</b>	<b>\$ 712,723</b>	<b>\$ 589,771</b>	<b>\$ 2,181,131</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 208,452</b>	<b>\$ 2,255,611</b>	<b>\$ 5,795,129</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, 2013

	Capital Projects					Permanent Trust	Total Nonmajor Governmental Funds
	Debt Service Fund	Congaree Vista District	Streetscaping	General Capital Projects	Miscellaneous Projects	Total	
<b>REVENUES</b>							
Federal government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,452,069
State government	-	-	-	14,752	-	14,752	380,553
County government	-	-	-	-	-	-	5,930,172
Promotions	-	-	-	-	-	-	89,314
Charges for services	-	-	-	-	-	-	19,940
Fines and forfeitures	-	-	-	-	-	-	146,549
Confiscated funds	-	-	-	-	-	-	533,541
Sales and hospitality taxes	-	-	-	-	-	-	11,403,192
Interest income	40	-	-	-	1,838	1,838	25,727
Other revenue	-	-	838,165	196,264	62,302	1,096,731	1,505,351
<b>Total revenues</b>	<u>40</u>	<u>-</u>	<u>838,165</u>	<u>211,016</u>	<u>64,140</u>	<u>1,113,321</u>	<u>25,486,408</u>
<b>EXPENDITURES</b>							
Current							
General government	-	-	-	-	-	-	55,704
Public safety	-	-	-	-	-	-	2,193,113
Public services	-	-	33,581	-	62,302	95,883	4,375,448
Community promotion	-	-	-	519,086	-	519,086	13,524,654
Debt Service							
Principal	5,445,000	-	-	-	-	-	7,760,000
Interest and other charges	1,400,583	-	-	-	-	-	1,851,199
Fiscal agent charges	4,975	-	-	-	-	-	4,975
Debt issuance costs	-	-	-	-	206,105	206,105	550,421
Capital Outlay							
Capital outlay	-	2,543,051	1,443,905	3,804,732	198,661	7,990,349	8,337,974
<b>Total expenditures</b>	<u>6,850,558</u>	<u>2,543,051</u>	<u>1,477,486</u>	<u>4,323,818</u>	<u>467,068</u>	<u>8,811,423</u>	<u>38,653,488</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(6,850,518)</u>	<u>(2,543,051)</u>	<u>(639,321)</u>	<u>(4,112,802)</u>	<u>(402,928)</u>	<u>(7,698,102)</u>	<u>(13,167,080)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from borrowing	-	-	-	-	6,375,000	6,375,000	6,375,000
Refunding bonds issued	-	-	-	-	-	-	24,260,000
Premium on bond issuance	-	-	-	-	401,659	401,659	401,659
Payments to refunded bond escrow agent	-	-	-	-	-	-	(23,915,684)
Transfers in	6,882,220	-	-	3,533,909	530,669	4,064,578	11,844,055
Transfers out	-	-	(105,000)	-	(6,798,438)	(6,903,438)	(12,902,873)
<b>Total other financing sources and uses</b>	<u>6,882,220</u>	<u>-</u>	<u>(105,000)</u>	<u>3,533,909</u>	<u>508,890</u>	<u>3,937,799</u>	<u>6,062,157</u>
Net change in fund balances	31,702	(2,543,051)	(744,321)	(578,893)	105,962	(3,760,303)	(7,104,923)
Fund balances - beginning	3,480,333	8,127,565	8,537,148	5,389,659	9,574,097	31,628,469	44,285,831
<b>Fund balances - ending</b>	<u>\$ 3,512,035</u>	<u>\$ 5,584,514</u>	<u>\$ 7,792,827</u>	<u>\$ 4,810,766</u>	<u>\$ 9,680,059</u>	<u>\$ 27,868,166</u>	<u>\$ 37,180,908</u>

## 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.

*Economic Development Fund* accounts for economic development activities.

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

June 30, 2013

	Hydro Electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Economic Development Fund	Total Nonmajor Proprietary Funds
<b>ASSETS</b>						
Current Assets						
Cash and cash equivalents	\$ 2,187,908	\$ 12,962,268	\$ 6,184,713	\$ 203,150	\$ 1,303,130	\$ 22,841,169
Investments	-	6,170,187	-	-	-	6,170,187
Accounts receivable, net	-	214	-	-	-	214
Mortgage notes receivable, net	-	-	415,354	-	-	415,354
Accrued interest receivable	-	27,089	-	-	-	27,089
Due from component units	-	-	430,210	-	-	430,210
Prepaid expenses	-	8,631	-	-	-	8,631
Real estate held for resale	-	-	434,266	-	-	434,266
<b>Total current assets</b>	<b>2,187,908</b>	<b>19,168,389</b>	<b>7,464,543</b>	<b>203,150</b>	<b>1,303,130</b>	<b>30,327,120</b>
Noncurrent Assets						
Mortgage notes receivable, net	-	-	20,536,771	-	5,761,922	26,298,693
Capital assets						
Land	327,169	19,009	-	-	-	346,178
Buildings, improvements, and utility plant	16,173,300	9,061,908	-	-	-	25,235,208
Machinery and equipment	-	2,422,405	-	-	-	2,422,405
Less accumulated depreciation	(3,477,260)	(3,085,024)	-	-	-	(6,562,284)
Construction in progress	-	2,318,965	-	-	-	2,318,965
<b>Net capital assets</b>	<b>13,023,209</b>	<b>10,737,263</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,760,472</b>
<b>Total noncurrent assets</b>	<b>13,023,209</b>	<b>10,737,263</b>	<b>20,536,771</b>	<b>-</b>	<b>5,761,922</b>	<b>50,059,165</b>
<b>TOTAL ASSETS</b>	<b>\$ 15,211,117</b>	<b>\$ 29,905,652</b>	<b>\$ 28,001,314</b>	<b>\$ 203,150</b>	<b>\$ 7,065,052</b>	<b>\$ 80,386,285</b>
<b>LIABILITIES AND FUND NET POSITION</b>						
Current Liabilities						
Accounts payable	\$ 211,333	\$ 494,624	\$ 230,421	\$ 1,374	\$ 65,052	\$ 1,002,804
Accrued salaries and benefits	-	99,095	-	18,822	-	117,917
Compensated absences	-	14,555	-	197	-	14,752
Retainage payable	-	262,306	-	-	-	262,306
Contract payable	645,601	-	-	-	-	645,601
Due to other funds	-	-	-	-	7,000,000	7,000,000
Deferred revenue	1,500,000	-	-	-	-	1,500,000
<b>Total current liabilities</b>	<b>2,356,934</b>	<b>870,580</b>	<b>230,421</b>	<b>20,393</b>	<b>7,065,052</b>	<b>10,543,380</b>
Noncurrent Liabilities						
Compensated absences	-	58,221	-	789	-	59,010
Deferred revenue	500,000	-	-	-	-	500,000
<b>Total noncurrent assets</b>	<b>500,000</b>	<b>58,221</b>	<b>-</b>	<b>789</b>	<b>-</b>	<b>559,010</b>
<b>Total liabilities</b>	<b>2,856,934</b>	<b>928,801</b>	<b>230,421</b>	<b>21,182</b>	<b>7,065,052</b>	<b>11,102,390</b>
Fund Net Position						
Net investment in capital assets	13,023,209	10,737,262	-	-	-	23,760,471
Unrestricted	(669,026)	18,239,589	27,770,893	181,968	-	45,523,424
<b>Total fund net position</b>	<b>12,354,183</b>	<b>28,976,851</b>	<b>27,770,893</b>	<b>181,968</b>	<b>-</b>	<b>69,283,895</b>
<b>TOTAL LIABILITIES AND FUND NET POSITION</b>	<b>\$ 15,211,117</b>	<b>\$ 29,905,652</b>	<b>\$ 28,001,314</b>	<b>\$ 203,150</b>	<b>\$ 7,065,052</b>	<b>\$ 80,386,285</b>

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

**Year Ended June 30, 2013**

	Hydro Electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Economic Development Fund	Total Nonmajor Proprietary Funds
Operating revenues						
Charges for service	\$ 1,231,475	\$ 6,685,838	\$ 565,789	\$ 253,150	\$ -	\$ 8,736,252
Other operating revenue	-	-	355,970	-	-	355,970
<b>Total operating revenues</b>	<b>1,231,475</b>	<b>6,685,838</b>	<b>921,759</b>	<b>253,150</b>	<b>-</b>	<b>9,092,222</b>
Operating expenses						
Personnel services	-	2,655,485	-	198,905	-	2,854,390
Materials and supplies	-	231,732	-	45,346	-	277,078
Other services and charges	1,221,338	999,157	464,674	27,020	-	2,712,189
Depreciation	323,466	681,750	-	-	-	1,005,216
Bad debt expense	-	-	269,609	-	-	269,609
<b>Total operating expenses</b>	<b>1,544,804</b>	<b>4,568,124</b>	<b>734,283</b>	<b>271,271</b>	<b>-</b>	<b>7,118,482</b>
Operating income (loss)	(313,329)	2,117,714	187,476	(18,121)	-	1,973,740
Nonoperating revenues (expenses)						
Investment income (loss)	-	33,940	37	-	-	33,977
Other nonoperating revenue	1,500,000	1,669	-	-	-	1,501,669
Gain from sale of assets	-	16,111	107,309	-	-	123,420
<b>Total nonoperating revenues (expenses)</b>	<b>1,500,000</b>	<b>51,720</b>	<b>107,346</b>	<b>-</b>	<b>-</b>	<b>1,659,066</b>
Income (loss) before transfers	1,186,671	2,169,434	294,822	(18,121)	-	3,632,806
Transfers						
Transfers in	-	1,013,321	148,630	1,526	-	1,163,477
Transfers out	(1,500,000)	(950,922)	(778,249)	(1,446)	-	(3,230,617)
<b>Total transfers</b>	<b>(1,500,000)</b>	<b>62,399</b>	<b>(629,619)</b>	<b>80</b>	<b>-</b>	<b>(2,067,140)</b>
Change in net position	(313,329)	2,231,833	(334,797)	(18,041)	-	1,565,666
Net position - beginning	12,667,512	26,745,018	28,105,690	200,009	-	67,718,229
<b>Net position - ending</b>	<b>\$ 12,354,183</b>	<b>\$ 28,976,851</b>	<b>\$ 27,770,893</b>	<b>\$ 181,968</b>	<b>\$ -</b>	<b>\$ 69,283,895</b>

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

**Year Ended June 30, 2013**

	Hydro Electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Economic Development Fund	Total Nonmajor Proprietary Funds
<b>Cash Flows From Operating Activities</b>						
Receipts from customers and users	\$ 1,370,581	\$ 6,687,467	\$ 921,759	\$ 253,151	\$ -	\$ 9,232,958
Internal activity - payments to other funds	-	(861,902)	-	(14,522)	-	(876,424)
Payments to suppliers	(1,181,661)	(486,358)	(242,687)	(80,701)	-	(1,991,407)
Payments to employees	-	(2,174,670)	-	(175,291)	-	(2,349,961)
<b>Net cash provided by (used in) operating activities</b>	<u>188,920</u>	<u>3,164,537</u>	<u>679,072</u>	<u>(17,363)</u>	<u>-</u>	<u>4,015,166</u>
<b>Cash Flows From Noncapital Financing Activities</b>						
Due to (from) others	-	-	152,155	-	7,000,000	7,152,155
Payments on contracts payable	(645,600)	-	-	-	-	(645,600)
Transfers in	-	1,013,321	148,630	1,526	-	1,163,477
Transfers out	(1,500,000)	(950,922)	(778,249)	(1,446)	-	(3,230,617)
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>(2,145,600)</u>	<u>62,399</u>	<u>(477,464)</u>	<u>80</u>	<u>7,000,000</u>	<u>4,439,415</u>
<b>Cash Flows From Capital And Related Financing Activities</b>						
Purchase of capital assets	-	(2,108,371)	-	-	-	(2,108,371)
Proceeds from sale of capital assets	-	-	107,309	-	-	107,309
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>-</u>	<u>(2,108,371)</u>	<u>107,309</u>	<u>-</u>	<u>-</u>	<u>(2,001,062)</u>
<b>Cash Flows From Investing Activities</b>						
Sale of investments, net	-	1,513,566	-	-	-	1,513,566
Advances of mortgage notes receivable	-	-	(2,552,202)	-	(5,696,870)	(8,249,072)
Collections of mortgage notes receivable	-	-	1,696,492	-	-	1,696,492
Interest received	-	20,480	37	-	-	20,517
Purchase of real estate held for resale	-	-	(26,094)	-	-	(26,094)
<b>Net cash provided by (used in) investing activities</b>	<u>-</u>	<u>1,534,046</u>	<u>(881,767)</u>	<u>-</u>	<u>(5,696,870)</u>	<u>(5,044,591)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(1,956,680)</u>	<u>2,652,611</u>	<u>(572,850)</u>	<u>(17,283)</u>	<u>1,303,130</u>	<u>1,408,928</u>
Cash and cash equivalents, July 1, 2012	<u>4,144,588</u>	<u>10,309,657</u>	<u>6,757,563</u>	<u>220,433</u>	<u>-</u>	<u>21,432,241</u>
<b>Cash and cash equivalents, June 30, 2013</b>	<u><u>\$ 2,187,908</u></u>	<u><u>\$ 12,962,268</u></u>	<u><u>\$ 6,184,713</u></u>	<u><u>\$ 203,150</u></u>	<u><u>\$ 1,303,130</u></u>	<u><u>\$ 22,841,169</u></u>

(Continued)

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

**Year Ended June 30, 2013**

	Hydro Electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Economic Development 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>\$ (313,329)</u>	<u>\$ 2,117,714</u>	<u>\$ 187,476</u>	<u>\$ (18,121)</u>	<u>\$ -</u>	<u>\$ 1,973,740</u>
Adjustments to reconcile operating income to net cash provided by (used in)						
operating activities:						
Depreciation	323,466	681,750	-	-	-	1,005,216
Bad debt expense	-	-	269,609	-	-	269,609
Change in operating assets and liabilities						
Accounts receivable	139,106	1,629	-	-	-	140,735
Prepaid expenses	-	(5,438)	-	-	-	(5,438)
Accounts payable	39,677	373,950	221,987	(8,335)	-	627,279
Accrued salaries	-	(3,088)	-	9,298	-	6,210
Accrued compensated absences	-	(1,980)	-	(205)	-	(2,185)
Total adjustments	<u>502,249</u>	<u>1,046,823</u>	<u>491,596</u>	<u>758</u>	<u>-</u>	<u>2,041,426</u>
<b>Net cash provided by (used in) operating activities</b>	<u><u>\$ 188,920</u></u>	<u><u>\$ 3,164,537</u></u>	<u><u>\$ 679,072</u></u>	<u><u>\$ (17,363)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,015,166</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 POSITION  
INTERNAL SERVICE FUNDS**

June 30, 2013

	<b>Fleet Management</b>	<b>Support Services</b>	<b>Risk Management</b>	<b>Totals Internal Service Funds</b>
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 297,909	\$ 24,676	\$ 50,140,927	\$ 50,463,512
Accounts receivable	81,647	-	578,934	660,581
Prepaid expenses	-	202,152	-	202,152
Due from other funds	-	-	7,000,000	7,000,000
Inventory	-	644,112	-	644,112
Total current assets	<u>379,556</u>	<u>870,940</u>	<u>57,719,861</u>	<u>58,970,357</u>
Noncurrent Assets				
Deposits	-	-	78,745	78,745
Capital assets				
Construction in progress	-	370,712	-	370,712
Buildings	903,586	-	-	903,586
Machinery and equipment	2,280,500	1,143,922	18,428	3,442,850
Less accumulated depreciation	<u>(2,576,751)</u>	<u>(642,188)</u>	<u>(18,428)</u>	<u>(3,237,367)</u>
Total capital assets (net of accumulated depreciation)	<u>607,335</u>	<u>872,446</u>	<u>-</u>	<u>1,479,781</u>
Total noncurrent assets	<u>607,335</u>	<u>872,446</u>	<u>78,745</u>	<u>1,558,526</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 986,891</u></b>	<b><u>\$ 1,743,386</u></b>	<b><u>\$ 57,798,606</u></b>	<b><u>\$ 60,528,883</u></b>
<b>LIABILITIES AND NET POSITION</b>				
Current Liabilities				
Accounts payable	\$ 790,858	\$ 106,897	\$ 1,147,959	\$ 2,045,714
Accrued salaries and benefits	87,374	35,072	13,295	135,741
Accrued compensation absences	21,732	13,823	6,383	41,938
Due to other funds	-	1,826,755	-	1,826,755
Accrued liability for claims	-	-	15,991,117	15,991,117
Total current liabilities	<u>899,964</u>	<u>1,982,547</u>	<u>17,158,754</u>	<u>20,041,265</u>
Noncurrent Liabilities				
OPEB liability	-	-	45,803,720	45,803,720
Accrued compensated absences	86,927	55,293	25,531	167,751
Total noncurrent liabilities	<u>86,927</u>	<u>55,293</u>	<u>45,829,251</u>	<u>45,971,471</u>
Total liabilities	<u>986,891</u>	<u>2,037,840</u>	<u>62,988,005</u>	<u>66,012,736</u>
<b>NET POSITION</b>				
Net investment in capital assets	607,335	872,446	-	1,479,781
Unrestricted	<u>(607,335)</u>	<u>(1,166,900)</u>	<u>(5,189,399)</u>	<u>(6,963,634)</u>
Total net position	<u>-</u>	<u>(294,454)</u>	<u>(5,189,399)</u>	<u>(5,483,853)</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$ 986,891</u></b>	<b><u>\$ 1,743,386</u></b>	<b><u>\$ 57,798,606</u></b>	<b><u>\$ 60,528,883</u></b>

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

Year Ended June 30, 2013

	Fleet Management	Support Services	Risk Management	Total Internal Service Funds
Operating revenues				
Charges for service	\$ 11,321,689	\$ 1,560,191	\$ 33,892,352	\$ 46,774,232
Total operating revenue	<u>11,321,689</u>	<u>1,560,191</u>	<u>33,892,352</u>	<u>46,774,232</u>
Operating expenses				
Personnel services	2,598,195	918,947	3,535,374	7,052,516
Materials and supplies	8,547,477	2,196,342	109,417	10,853,236
Heat, light and power	41,616	-	-	41,616
Other services and charges	162,820	1,211,521	3,767,092	5,141,433
Claims and premiums	-	-	29,080,428	29,080,428
Depreciation	150,797	120,963	-	271,760
Total operating expenses	<u>11,500,905</u>	<u>4,447,773</u>	<u>36,492,311</u>	<u>52,440,989</u>
Operating income (loss)	<u>(179,216)</u>	<u>(2,887,582)</u>	<u>(2,599,959)</u>	<u>(5,666,757)</u>
Nonoperating revenues				
Gain from sale of assets	1,525	-	-	1,525
Total nonoperating revenues	<u>1,525</u>	<u>-</u>	<u>-</u>	<u>1,525</u>
Loss before transfers	<u>(177,691)</u>	<u>(2,887,582)</u>	<u>(2,599,959)</u>	<u>(5,665,232)</u>
Transfers				
Transfers in	177,691	3,387,010	3,445,006	7,009,707
Transfers out	-	(876,247)	(845,047)	(1,721,294)
Total transfers	<u>177,691</u>	<u>2,510,763</u>	<u>2,599,959</u>	<u>5,288,413</u>
Change in net position	-	(376,819)	-	(376,819)
Net position - beginning	-	82,365	(5,189,399)	(5,107,034)
<b>Net position - ending</b>	<u>\$ -</u>	<u>\$ (294,454)</u>	<u>\$ (5,189,399)</u>	<u>\$ (5,483,853)</u>

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

Year Ended June 30, 2013

	Fleet Management	Support Services	Risk Management	Total Internal Service Funds
Cash Flows From Operating Activities				
Internal activity - receipts from other funds	\$ 10,759,278	\$ 1,560,191	\$ 33,981,954	\$ 46,301,423
Receipts from customers and users	563,965	-	-	563,965
Internal activity - payments to other funds	(536,005)	(49,824)	(25,382)	(611,211)
Payments to suppliers	(9,477,740)	(4,518,068)	(435,758)	(14,431,566)
Claims paid	-	-	(28,527,555)	(28,527,555)
Payments to employees	(2,048,170)	(140,994)	(3,506,512)	(5,695,676)
<b>Net cash provided by (used in) operating activities</b>	<u>(738,672)</u>	<u>(3,148,695)</u>	<u>1,486,747</u>	<u>(2,400,620)</u>
Cash Flows From Noncapital Financing Activities				
Due to (from) others	-	1,158,995	(7,000,813)	(5,841,818)
Transfers in	177,691	3,387,010	3,445,006	7,009,707
Transfers out	-	(876,247)	(845,047)	(1,721,294)
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>177,691</u>	<u>3,669,758</u>	<u>(4,400,854)</u>	<u>(553,405)</u>
Cash Flows From Capital and Related Financing Activities				
Proceeds from sale of capital assets	1,525	-	-	1,525
Purchase of capital assets	(64,894)	(520,145)	-	(585,039)
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(63,369)</u>	<u>(520,145)</u>	<u>-</u>	<u>(583,514)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(624,350)	918	(2,914,107)	(3,537,539)
Cash and cash equivalents, July 1, 2012	922,259	23,758	53,055,034	54,001,051
<b>Cash and cash equivalents, June 30, 2013</b>	<u>\$ 297,909</u>	<u>\$ 24,676</u>	<u>\$ 50,140,927</u>	<u>\$ 50,463,512</u>
Reconciliation Of Operating Loss To Net Cash Provided By (Used In) Operating Activities				
<b>Operating income (loss)</b>	<u>\$ (179,216)</u>	<u>\$ (2,887,582)</u>	<u>\$ (2,599,959)</u>	<u>\$ (5,666,757)</u>
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation	150,797	120,963	-	271,760
Change in operating assets and liabilities				
Accounts receivable	1,554	-	89,602	91,156
Inventory	-	(69,225)	-	(69,225)
Prepaid expenses	-	(139,378)	-	(139,378)
Accounts payable	(725,827)	(181,560)	287,272	(620,115)
Accrued salaries	(1,299)	2,556	283	1,540
Accrued compensated absences	15,319	5,531	3,197	24,047
OPEB liability	-	-	3,153,479	3,153,479
Accrued liability for claims	-	-	552,873	552,873
Total adjustments	<u>(559,456)</u>	<u>(261,113)</u>	<u>4,086,706</u>	<u>3,266,137</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (738,672)</u>	<u>\$ (3,148,695)</u>	<u>\$ 1,486,747</u>	<u>\$ (2,400,620)</u>

## **FIDUCIARY FUNDS**

*Agency Funds* are used to account for short-term custodial collections on resources on behalf of another individual, entity, or government.

Agency fund - to account for contributions collected by the City on behalf of other entities.

**CITY OF COLUMBIA, SOUTH CAROLINA  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND**

**Year Ended June 30, 2013**

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2013</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 53,551	\$ 147,325	\$ 167,203	\$ 33,673
<b>Total assets</b>	<u>53,551</u>	<u>147,325</u>	<u>167,203</u>	<u>33,673</u>
 <b>LIABILITIES</b>				
Accounts payable	53,551	147,325	167,203	33,673
<b>Total liabilities</b>	<u>\$ 53,551</u>	<u>\$ 147,325</u>	<u>\$ 167,203</u>	<u>\$ 33,673</u>

## **OTHER SCHEDULE**

**CITY OF COLUMBIA, SOUTH CAROLINA  
SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES  
YEAR ENDED JUNE 30, 2013**

<b>Court Fines and Assessments</b>	
Fines Collected	\$ 1,071,824
Assessments	1,077,872
Surcharges	<u>542,392</u>
<b>Total Court Fines and Assessments Collected</b>	<u><u>\$ 2,692,088</u></u>
<b>Surcharges and Assessments Remitted to State Treasurer</b>	
Fines, Fees and Filing Fee / Assessment	
Municipal Conditional Discharge Fee	\$ 16,950
DUI/DUS/BUI	
Municipal DUS DPS Pullout	24,750
Municipal DUI Assessment	709
Municipal DUI Surcharge	6,007
DUS DPS Pullout - DUIHP	5,907
DUI/DUAC Breathalyzer Test Conviction Fee - SLED	1,477
Surcharges	
Municipal Drug Surcharge	17,266
Municipal Law Enforcement Surcharge	401,236
Criminal Justice Academy Surcharge	80,228
Other Assessments - State Shared	<u>919,185</u>
<b>Total Revenue Remitted to State Treasurer</b>	<u><u>\$ 1,473,715</u></u>
<b>Fines, Surcharges, and Assessments Retained by City</b>	
Fines	\$ 1,071,824
Assessments	115,509
Surcharges	<u>31,040</u>
<b>Total Revenue Retained by City</b>	<u><u>\$ 1,218,373</u></u>
<b>Funds Allocated to Victims Assistance</b>	
Carryover Funds from Prior Year	\$ -
Assessments Retained	115,509
Surcharges Retained	31,040
Expenditures	(215,558)
Transfers from General Fund	<u>102,572</u>
<b>Total Unexpended Victims Assistance</b>	<u><u>\$ 33,563</u></u>

## **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 15)**

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 16 through 18)**

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 19 through 20)**

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 Position by Component (unaudited)**

**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities</b>										
Net investment in capital assets <sup>1</sup>	\$ 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	\$ 155,118,428
Restricted for:										
Public safety	38,375,049	15,436,936	6,982	7,270	5,435	5,528	5,575	701,466	386,158	2,294,259
Community development	-	-	-	-	-	-	-	-	-	209,030
Tourism related expenditures	-	-	-	-	-	-	-	5,323,341	5,187,200	5,149,465
Debt service	49,893,410	39,421,392	-	-	-	-	-	4,940,501	3,480,333	3,512,035
Capital projects	-	-	-	-	-	-	-	16,940,012	17,701,662	15,264,573
Unrestricted	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	27,512,342
<b>Total governmental activities net position</b>	<b>\$ 152,302,985</b>	<b>\$ 183,598,184</b>	<b>\$ 173,193,789</b>	<b>\$ 196,281,018</b>	<b>\$ 180,634,331</b>	<b>\$ 189,249,958</b>	<b>\$ 188,156,625</b>	<b>\$ 194,117,981</b>	<b>\$ 203,492,876</b>	<b>\$ 209,060,132</b>
<b>Business-type activities</b>										
Net investment in capital assets <sup>1</sup>	\$ 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	\$ 373,649,773
Restricted for debt service	33,854,487	18,553,749	-	-	-	-	9,231,571	9,231,571	9,292,810	9,315,421
Unrestricted	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	242,035,914
<b>Total business-type activities net position</b>	<b>\$ 468,997,008</b>	<b>\$ 495,081,372</b>	<b>\$ 508,696,080</b>	<b>\$ 529,431,686</b>	<b>\$ 562,502,801</b>	<b>\$ 592,566,105</b>	<b>\$ 597,221,754</b>	<b>\$ 596,759,224</b>	<b>\$ 599,559,928</b>	<b>\$ 625,001,108</b>
<b>Primary government</b>										
Net investment in capital assets <sup>1</sup>	\$ 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	\$ 528,768,201
Restricted for:										
Public safety	38,375,049	15,436,936	6,982	7,270	5,435	5,528	5,575	701,466	386,158	2,294,259
Community development	-	-	-	-	-	-	-	-	-	209,030
Tourism related expenditures	-	-	-	-	-	-	-	5,323,341	5,187,200	5,149,465
Debt service	83,747,897	57,975,141	-	-	-	-	9,231,571	14,172,072	12,773,143	12,827,456
Capital projects	-	-	-	-	-	-	-	16,940,012	17,701,662	15,264,573
Unrestricted	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	269,548,256
<b>Total primary government net position</b>	<b>\$ 621,299,993</b>	<b>\$ 678,679,556</b>	<b>\$ 681,889,869</b>	<b>\$ 725,712,704</b>	<b>\$ 743,137,132</b>	<b>\$ 781,816,063</b>	<b>\$ 785,378,379</b>	<b>\$ 790,877,205</b>	<b>\$ 803,052,804</b>	<b>\$ 834,061,240</b>

<sup>1</sup> Net of related debt

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

Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General government	\$ 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	\$ 17,577,215
Judicial	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	2,601,919
Finance	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	2,051,555
Community development	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	5,855,023
Public safety	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	73,682,870
Parks and recreation	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	11,329,817
Public services	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	23,483,659
General services	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	4,540,814
Community promotions	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	11,915,733
Interest and other charges	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	3,027,411
Non departmental	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	2,455,260
<b>Total governmental activities expense</b>	<b>140,820,116</b>	<b>100,764,142</b>	<b>147,599,975</b>	<b>149,612,516</b>	<b>163,818,689</b>	<b>157,472,138</b>	<b>157,367,185</b>	<b>154,044,668</b>	<b>151,160,319</b>	<b>158,521,276</b>
<b>Business-type Activities:</b>										
Water and sewer facilities	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	107,410,948
Hydro-electric plant	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	1,544,804
Stormwater	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	4,692,223
Parking facilities	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	6,330,524
Transportation	130,053	121,363	31,363	30,320	433,773	-	-	-	-	-
Redevelopment programs	624,323	238,547	901,209	774,935	3,611,769	960,872	4,704,419	606,265	1,966,452	734,283
Parks and recreation camps	-	-	-	-	-	-	248,705	268,639	305,939	271,271
<b>Total business-type expenses</b>	<b>74,350,279</b>	<b>73,112,711</b>	<b>89,965,778</b>	<b>94,197,170</b>	<b>101,643,480</b>	<b>101,585,783</b>	<b>122,870,892</b>	<b>122,828,711</b>	<b>121,346,111</b>	<b>120,984,053</b>
<b>Total primary government expenses</b>	<b>\$ 215,170,395</b>	<b>\$ 173,876,853</b>	<b>\$ 237,565,753</b>	<b>\$ 243,809,686</b>	<b>\$ 265,462,169</b>	<b>\$ 259,057,921</b>	<b>\$ 280,238,077</b>	<b>\$ 276,873,379</b>	<b>\$ 272,506,430</b>	<b>\$ 279,505,329</b>
<b>Program revenues</b>										
<b>Governmental Activities</b>										
Charges for services										
General government	\$ 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	\$ 940,028
Finance	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	30,505,679
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	793,431
Public safety	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	21,387,115
Parks and recreation	232,998	246,831	457,103	608,728	718,288	656,535	629,982	644,895	583,471	728,247
Public services	995,711	960,955	1,123,926	297,809	1,038,433	1,060,884	860,914	762,632	350,100	247,570
General services	329,818	-	-	-	-	-	-	-	-	-
Non departmental	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	16,251,273	25,839,940	30,208,259	30,413,604	27,863,920	29,022,624	34,616,143	35,000,087	33,702,068	33,701,772
Capital grants and contributions	872,341	-	2,165,766	8,291,673	5,649,457	11,318,774	5,851,833	3,618,198	4,112,450	1,295,665
<b>Total Governmental Activities Program Revenue</b>	<b>53,608,162</b>	<b>88,829,216</b>	<b>84,317,763</b>	<b>95,289,200</b>	<b>90,672,860</b>	<b>93,655,785</b>	<b>89,947,385</b>	<b>92,120,948</b>	<b>84,724,013</b>	<b>89,599,507</b>
<b>Business-type Activities</b>										
Charges for services										
Water and sewer facilities	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	121,723,711
Hydro-electric plant	453,495	635,608	662,924	493,290	784,235	4,094,441	1,346,041	851,431	2,622,234	2,731,475
Stormwater	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	6,685,838
Parking facilities	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	6,864,323
Transportation	-	360	-	-	-	-	-	-	-	-
Redevelopment programs	79,865	64,500	3,603,824	495,150	934,614	918,809	881,876	646,954	599,950	921,759
Parks and recreation camps	-	-	-	-	-	-	207,707	226,238	262,582	253,150
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	5,831,240
<b>Total Business-type Activities Revenues</b>	<b>93,091,866</b>	<b>96,099,207</b>	<b>117,011,671</b>	<b>121,654,568</b>	<b>138,254,271</b>	<b>130,797,220</b>	<b>127,201,059</b>	<b>124,959,473</b>	<b>131,683,562</b>	<b>145,011,496</b>
<b>Total Primary Government Revenues</b>	<b>\$ 146,700,028</b>	<b>\$ 184,928,423</b>	<b>\$ 201,329,434</b>	<b>\$ 216,943,768</b>	<b>\$ 228,927,131</b>	<b>\$ 224,453,005</b>	<b>\$ 217,148,444</b>	<b>\$ 217,080,421</b>	<b>\$ 216,407,575</b>	<b>\$ 234,611,003</b>
<b>Net (expense) revenue</b>										
Governmental activities	\$ (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)	\$ (68,921,769)
Business-type activities	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	24,027,443
<b>Total Primary Government Net Expense</b>	<b>\$ (68,470,367)</b>	<b>\$ (11,051,570)</b>	<b>\$ (36,236,319)</b>	<b>\$ (26,865,918)</b>	<b>\$ (36,535,038)</b>	<b>\$ (34,604,916)</b>	<b>\$ (63,089,633)</b>	<b>\$ (59,792,958)</b>	<b>\$ (56,098,855)</b>	<b>\$ (44,894,326)</b>

(Continued)

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

**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes levied for general purposes	\$ 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	\$ 34,462,835
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	15,781,749
Sales tax	-	-	-	-	8,061,364	8,070,790	7,941,705	8,359,028	14,216,318	11,498,370
Alcoholic beverages	3,023,084	3,131,607	3,204,139	3,435,403	254,562	323,644	261,200	-	-	-
Motor fuel	26,684	14,239	9,241	7,715	1,275	1,059	11,024	4,976	3,436	3,566
Miscellaneous	10,356	9,953	10,383	-	-	-	-	-	-	-
License and permits	25,859,680	-	-	-	-	-	-	-	-	-
State shared revenue	-	-	-	-	3,796,780	3,622,407	3,037,888	2,604,423	2,363,791	2,788,097
Fines and forfeitures	792,154	903,730	-	-	-	-	-	-	-	-
Investment income	12,996	2,625,477	2,478,194	4,670,483	3,481,543	1,282,669	417,459	1,068,106	537,702	26,022
Other	313,880	230,632	(2,950,480)	(7,426,558)	(1,159,745)	1,891,037	-	-	156,323	188,511
Transfers	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	9,739,875
Total Governmental Activities	<u>70,353,197</u>	<u>43,756,270</u>	<u>49,959,874</u>	<u>56,441,220</u>	<u>63,101,485</u>	<u>72,431,979</u>	<u>66,326,467</u>	<u>67,885,076</u>	<u>75,809,361</u>	<u>74,489,025</u>
Business-type Activities										
Investment income	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	231,513
Other	189,640	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of capital assets	117,115	58,153	22,080	(116,006)	(228,140)	3,843,432	17,476	143,088	(2,609,759)	10,922,099
Transfers	(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)	(9,739,875)
Total Business-type Activities	<u>(380,838)</u>	<u>3,183,499</u>	<u>(274,272)</u>	<u>(2,137,616)</u>	<u>5,177,529</u>	<u>851,867</u>	<u>325,482</u>	<u>(2,593,292)</u>	<u>(7,536,760)</u>	<u>1,413,737</u>
Total Primary Government	<u>\$ 69,972,359</u>	<u>\$ 46,939,769</u>	<u>\$ 49,685,602</u>	<u>\$ 54,303,604</u>	<u>\$ 68,279,014</u>	<u>\$ 73,283,846</u>	<u>\$ 66,651,949</u>	<u>\$ 65,291,784</u>	<u>\$ 68,272,601</u>	<u>\$ 75,902,762</u>
Change in Net Position										
Governmental activities	\$ (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	\$ 5,567,256
Business-type activities	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	25,441,180
Total Primary Government	<u>\$ 1,501,992</u>	<u>\$ 57,991,339</u>	<u>\$ 13,449,283</u>	<u>\$ 27,437,686</u>	<u>\$ 31,743,976</u>	<u>\$ 38,678,930</u>	<u>\$ 3,562,316</u>	<u>\$ 5,498,826</u>	<u>\$ 12,173,746</u>	<u>\$ 31,008,436</u>

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

Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010 ***	2011	2012	2013
General Fund										
Reserved	\$ 2,324,610	\$ 1,647,466	\$ 1,126,443	\$ 2,037,950	\$ 2,083,436	\$ 1,523,270	\$ -	\$ -	\$ -	\$ -
Unreserved	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	298,252
Committed	-	-	-	-	-	-	-	2,126,479	-	-
Assigned	-	-	-	-	-	-	1,538,430	-	190,599	2,159,860
Unassigned	-	-	-	-	-	-	13,668,226	11,424,065	14,972,196	22,380,727
Total general fund	<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>	<u>\$ 24,838,839</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	71,775
Assigned	-	-	-	-	-	-	303,617	481,073	735,023	1,704,488
Total business-type activities net assets	<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>	<u>\$ 1,776,263</u>
Columbia Parking Facilities Corporation Fund **										
Unreserved	<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>	<u>\$ -</u>
All Other Governmental Funds										
Reserved	\$ 40,006,279	\$ 18,768,543	\$ 22,490,311	\$ 17,534,858	\$ 7,670,827	\$ 16,065,853	\$ -	\$ -	\$ -	\$ -
Unreserved	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	5,000
Restricted	-	-	-	-	-	-	5,575	27,900,320	26,750,353	24,724,874
Committed	-	-	-	-	-	-	-	3,864,378	-	-
Assigned	-	-	-	-	-	-	39,198,661	16,417,601	17,744,836	12,603,593
Unassigned	-	-	-	-	-	-	(31,068)	(14,080)	(225,792)	(152,559)
Total all other governmental funds	<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>	<u>\$ 37,180,908</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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues:</b>										
General property taxes	\$ 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	\$ 50,644,107
Sales, hospitality and admission taxes	-	-	-	-	8,061,364	8,070,790	7,941,705	8,359,028	14,216,318	11,498,370
License and permits	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	30,505,429
Intergovernmental revenue	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	13,540,185
Charges for services	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	11,983,172
Fines and forfeitures	792,154	903,730	788,374	786,187	910,061	922,675	864,112	889,048	1,139,209	1,230,219
Federal revenues	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	5,452,069
State revenues	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	380,553
County revenues	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	26,530,590
Promotions	132,718	264,974	60,177	188,563	148,073	192,721	144,639	220,148	392,947	89,314
Confiscated funds	299,749	40,488	143,818	44,057	192,623	291,003	74,057	671,961	403,311	533,541
Cost recovery fees	3,191,150	3,208,450	3,200,000	3,200,000	2,735,000	2,270,000	2,270,000	-	-	-
Interest	52,231	1,114,238	1,869,260	3,512,130	3,451,240	1,282,669	417,458	1,068,106	539,145	26,386
Other revenues	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	1,688,232
<b>Total revenues</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>154,102,167</b>
<b>Expenditures:</b>										
<b>Current:</b>										
General government	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	6,644,937
Judicial	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	2,494,267
Finance	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	1,978,474
Planning and development	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	4,041,701
Public safety	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	73,409,740
Parks and recreation	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	9,486,586
Public services	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	20,561,911
General services	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	4,476,134
Community promotion	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	14,114,668
Nondepartmental	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	2,475,304
Other charges	-	847,697	483,367	1,567,941	6,464,433	8,357	729,482	825,212	-	11,079
<b>Debt service:</b>										
Principal payment on bonds	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	8,260,000
Interest payments on bonds	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	2,778,884
Fiscal agent charges	4,078	3,684	5,208	87,360	4,072	27,424	8,040	9,040	8,913	4,975
Debt issuance costs	-	-	-	-	-	-	-	276,774	2,122,842	550,421
<b>Capital outlay:</b>										
Capital outlay:	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	11,293,853
<b>Total expenditures</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>162,582,934</b>
<b>Excess of revenues over (under) expenditures</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>(8,480,767)</b>
<b>Other financing sources (uses):</b>										
Transfers in	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	28,738,040
Transfers out	(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)	(24,286,578)
Proceeds from borrowing	-	-	1,500,000	22,014,258	13,143,195	2,429,249	-	9,375,000	5,575,000	6,375,000
Premium on bonds sold	-	-	-	-	-	-	-	662,383	343,785	401,659
Refunding bonds issued	-	-	-	-	-	3,625,000	-	9,945,000	14,825,000	24,260,000
Payment to refunded bond escrow agent	-	-	-	-	-	(3,540,000)	-	(10,262,899)	(14,436,356)	(23,915,684)
Sales of assets	-	-	6,485,100	2,526,053	9,021,764	2,531,802	156,782	144,703	170,409	225,883
<b>Total other financing sources (uses)</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>11,798,320</b>
<b>Net change in fund balance</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>	<b>\$ 3,317,553</b>
Debt service as a percentage of noncapital expenditures	5%	5%	7%	8%	12%	9%	6%	6%	7%	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	
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%
2013	2012	400,610,960	8,131,722,177	110,571,977	1,297,785,551	511,182,937	9,429,507,728	5.42%

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 Millage	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
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
2013	98.1	84.2	118.5	296.1	367.5	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	2013			2004		
	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	\$ 13,651,520	1	2.67%	\$ 11,708,450		3.56%
Bellsouth Telecommunications LLC	5,729,510	2	1.12%	9,815,160		2.99%
At&T Mobility d/b/a Cingular Wireless	3,966,840	3	0.78%	-		
Bottling Group LLC	3,023,168	4	0.59%	-		
GGP Columbiana Trust	2,964,320	5	0.58%	-		
UNUM Group	2,488,784	6	0.49%	-		
Assembly Station Columbia LLC	2,398,800	7	0.47%	-		
US REIF/MJW Capital Center Fee	2,181,610	8	0.43%	-		
Colonial Life and Accident	1,840,110	9	0.36%	2,331,480		0.71%
Main & Gervais LLC	1,775,700	10	0.35%	-		
Main Street Associates	-			2,334,900		0.71%
AT&T Communications	-			2,132,590		0.65%
Time Warner Entertainment - Advance	-			1,806,950		0.55%
Baker and Baker	-			1,970,280		0.60%
Airgate PCS	-			1,711,200		0.52%
Parkway Properties LP	-			1,633,630		0.50%
Dutch Square Limited Liability	-			1,480,070		0.45%
	<u>\$ 40,020,362</u>		<u>7.83%</u>	<u>\$ 36,924,710</u>		<u>11.23%</u>

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

<sup>1</sup> Total assessed valuation was \$511,182,937

<sup>2</sup> Total assessed valuation was \$328,766,451

**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
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%
2013	50,179,312	47,007,332	93.68%	-	47,007,332	93.68%

Sources: Richland County Finance Department and Lexington County Finance Department  
Neither Richland County or Lexington County report delinquent collections by tax year.

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

**Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds <sup>1</sup>	Tax Increment Bonds <sup>1</sup>	Notes Payable	Capital Lease	Revenue Bonds <sup>1</sup>	Total Governmental Activities Debt
2004	\$ 21,380,000	\$ 23,047,610	\$ -	\$ -	\$ -	\$ 44,427,610
2005	20,110,000	18,722,380	-	3,646,477	56,301,645	98,780,502
2006	18,830,000	14,245,754	1,500,000	2,956,233	54,170,705	91,702,692
2007	17,430,000	10,241,585	3,738,526	2,246,993	65,025,606	98,682,710
2008	28,155,000	3,760,000	4,658,191	1,518,235	62,619,082	100,710,508
2009	25,695,000	-	6,747,474	-	59,678,400	92,120,874
2010	23,125,000	-	6,009,142	-	56,888,616	86,022,758
2011	30,055,000	-	5,814,142	-	54,650,743	90,519,885
2012	32,434,426	-	5,619,142	-	50,397,635	88,451,203
2013	34,226,401	-	5,424,142	-	45,344,497	84,995,040

<sup>1</sup> Presented net of original issue discounts, premiums, and deferred loss on refundings

<sup>2</sup> Personal income is disclosed on Schedule 15

<sup>3</sup> Population is disclosed on Schedule 15

**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 <sup>2</sup>	Debt Per Capita <sup>3</sup>
	Revenue Bonds	General Obligation Bonds	Notes Payable	Capital Lease	Notes Payable				
2004	\$ 126,669,193	\$ 423,315	\$ 1,032,585	\$ 6,435,441	\$ -	\$ 134,560,534	\$ 178,988,144	5.34%	\$ 1,525
2005	176,661,879	210,000	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	-	-	-	933,009	176,795,501	268,916,375	6.12%	2,117
2010	357,487,401	-	-	-	-	357,487,401	443,510,159	9.84%	3,429
2011	344,469,980	-	-	-	-	344,469,980	434,989,865	9.59%	3,365
2012	435,825,280	-	-	-	-	435,825,280	524,276,483	11.32%	4,015
2013	427,404,931	-	-	-	-	427,404,931	512,399,971	11.01%	3,891

**Schedule 10**  
**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Ratios of General Bonded Debt Outstanding (unaudited)**

**Last Ten Fiscal Years**

Fiscal Year	General Bonded Debt				Percentage of Estimated Actual Taxable Value of Property <sup>2</sup>	Per Capita <sup>3</sup>
	Governmental Activities General Obligation Bonds <sup>1</sup>	Business-type Activities General Obligation Bonds <sup>1</sup>	Less: Amount Available in Debt Service Funds	Total		
2004	\$ 21,380,000	\$ 423,315	\$ 4,900,155	\$ 16,903,160	0.30%	\$ 143.99
2005	20,110,000	210,000	4,925,509	15,394,491	0.27%	131.14
2006	18,830,000	-	4,073,137	14,756,863	0.21%	125.70
2007	17,430,000	-	1,196,198	16,233,802	0.22%	139.61
2008	28,155,000	-	4,687,280	23,467,720	0.31%	184.74
2009	25,695,000	-	1,288,755	24,406,245	0.29%	192.13
2010	23,125,000	-	3,013,132	20,111,868	0.22%	155.50
2011	30,055,000	-	4,940,502	25,114,498	0.27%	194.28
2012	32,434,426	-	3,481,333	28,953,093	0.31%	221.71
2013	34,226,401	-	3,512,035	30,714,366	0.33%	233.24

<sup>1</sup> Presented net of original issue discounts, premiums, and deferred loss on refundings

<sup>2</sup> Estimated value of property is disclosed on Schedule 5

<sup>3</sup> Population is disclosed on Schedule 16

**Schedule 11**  
**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Direct and Overlapping Bonded Debt (unaudited)**

**June 30, 2013**

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	\$ 511,182,937	\$ 511,182,937	\$ 34,226,401	100.00%	<u>\$ 34,226,401</u>
Overlapping					
<b>Counties:</b>					
Richland County	1,524,590,417	485,617,437	55,155,000	31.85%	17,568,148
Lexington County	1,117,988,550	25,565,500	-	2.29%	-
<b>School Districts:</b>					
Lexington Richland SD 5	475,659,602	44,608,170	240,680,000	9.38%	22,571,382
Richland School District One	802,690,307	428,722,315	454,700,000	53.41%	242,858,341
Richland School District Two	538,391,828	37,852,452	509,435,000	7.03%	35,816,598
<b>Special Districts:</b>					
Airport District	1,524,590,417	485,617,437	7,305,000	31.85%	2,326,812
Riverbanks Park District	2,642,578,967	511,182,937	10,000,000	19.34%	<u>1,934,409</u>
 Total Overlapping Debt					<u>323,075,691</u>
 Total Direct and Overlapping Debt					<u>\$ 357,302,092</u>

Source: Richland County Treasurer, 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 12**  
**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>
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%
2013	41,428,018	33,515,000	7,913,018	80.90%

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, 2013:

Assessed value in Richland County	\$ 485,617,437
Assessed value in Lexington County	25,565,500
Subtotal	<u>511,182,937</u>
Business inventory 1987 assessed value	6,667,290
Total assessed value	<u>517,850,227</u>
	8.00%
Debt Limit	<u>41,428,018</u>
Net debt outstanding subject to the debt limit	<u>33,515,000</u>
Legal debt margin as of June 30, 2013	<u><u>\$ 7,913,018</u></u>

**Schedule 13**  
**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			COPS Debt Coverage
		Principal	Interest	Total	
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
2013	14,655,101	3,700,000	1,720,250	5,420,250	2.7

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

**Schedule 14**  
**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>		
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
2013	121,878,086	74,400,785	47,477,301	6,465,000	17,047,580	(828)	23,511,752	2.0

<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 15**  
**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	
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
2013	6,911,985	3,299,708	3,612,277	970,000	2,184,910	3,154,910	1.1

<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> For the years 2006 and 2007 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 years 2006 and 2007.

<sup>3</sup> Includes capitalized interest

**Schedule 16**  
**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>
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%
2013	131,686	4,655,100,100	35,350	24,166	8.00%
		3,270,685,182			

Source of data:

- <sup>1</sup> U.S. Census Bureau
- <sup>2</sup> U.S. Census Bureau
- <sup>3</sup> S.C. State Department of Education
- <sup>4</sup> S.C. Department of Employment and Workforce

**Schedule 17**  
**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Principal Employers**

**Current Year and Nine Years Ago**

Employer	2013 <sup>1</sup>			2004 <sup>2</sup>		
	Employees	Rank	Percentage to Total City Employment <sup>3</sup>	Employees	Rank	Percentage to Total City Employment
Palmetto Health	9,000	1	7.35%	6,500	1	N/A
Blue Cross Blue Shield of South Carolina	6,459	2	5.27%			
University of South Carolina	5,997	3	4.90%	5,200	2	N/A
SC Department of Transportation	4,418	4	3.61%	1,000	8	N/A
Richland County School District One	4,036	5	3.29%	4,000	3	N/A
SC Department of Mental Health	3,798	6	3.10%	1,000	9	N/A
Richland County School District Two	3,300	7	2.69%			
SC Department of Health and Environmental Control	3,096	8	2.53%	1,400	5	N/A
AT&T	2,400	9	1.96%			
City of Columbia, South Carolina	2,150	10	1.76%	1,800	4	N/A
Richland County, South Carolina				1,043	7	N/A
WJBD VA Medical Center				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

<sup>3</sup> 122,507 total workers were reported living in Columbia, South Carolina, per the 2010 PHC-T-40 Estimated Daytime Population and Employment - Residence Ratios: 2000, published by the US Census Bureau

N/A Data not available

**Schedule 18**  
**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,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	73.00	82.00	85.00	85.00	93.00	92.00	90.00	99.00	78.75	80.00
Judicial	50.00	49.00	50.00	49.00	57.00	61.00	58.00	58.00	62.00	64.00
Finance	27.00	34.75	41.00	53.75	51.75	52.75	55.50	52.25	53.50	51.50
Development services and planning	57.00	66.00	59.00	62.00	64.00	64.00	62.00	63.00	64.00	63.00
Public safety	739.00	735.00	711.00	767.00	941.00	965.00	1,001.00	968.00	978.00	982.50
Parks and recreation	155.00	151.00	179.00	166.50	178.00	181.00	170.00	179.00	187.00	189.50
Public works	280.00	294.50	296.00	295.00	305.00	305.00	295.00	279.00	278.00	277.00
General services	57.00	55.00	57.00	60.00	2.00	5.00	4.00	1.00	5.00	7.00
County fire	-	-	-	-	-	-	-	216.00	217.00	235.50
Community development	17.50	26.50	29.00	15.00	50.00	50.00	50.00	46.00	49.00	38.00
Parking	39.00	34.00	28.00	38.00	44.75	44.75	42.75	42.75	42.75	43.00
Water and sewer	393.50	443.50	464.50	461.50	477.50	477.50	471.50	479.00	498.00	530.00
Parks and recreation camps	-	-	-	-	-	-	-	83.00	83.00	83.00
Risk management	-	-	-	-	3.00	3.00	2.00	2.00	2.00	2.00
Support services	-	-	-	-	7.00	7.00	7.00	7.00	7.00	7.00
Fleet management	-	-	-	-	47.00	47.00	47.00	48.00	48.00	48.00
<b>Total</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>2,355.00</b>	<b>2,355.75</b>	<b>2,623.00</b>	<b>2,653.00</b>	<b>2,701.00</b>

Source: City's Human Resource department

Schedule 19  
**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Operating Indicators By Function/Program**

**Last Ten Fiscal Years**

Function/Program	Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Public Safety</b>										
Police physical arrests	N/A	N/A	N/A	N/A	N/A	6,418	6,734	7,259	8,024	10,652
Citations written	23,315	28,827	25,741	N/A	N/A	34,357	29,522	25,985	30,996	33,111
911 call volume	996,234	996,836	997,111	998,628	1,021,541	1,032,664	1,171,433	1,197,141	1,102,640	1,317,008
Fire calls answered	21,938	22,691	22,860	27,025	28,982	28,746	30,208	30,629	31,265	31,240
Number of inspections	1,664	1,761	1,740	2,049	3,630	4,410	6,943	7,911	7,726	6,261
<b>Sanitation</b>										
Refuse collected (in tons)	95,712	96,067	99,875	97,616	96,140	90,222	63,507	57,903	N/A	43,157
Recyclables collected (in tons)	4,740	3,943	3,262	3,739	3,779	3,538	3,932	4,223	N/A	3,867
<b>Fleet Management</b>										
Fleet maintained	N/A	2,425	2,664	2,934	3,164	3,329	3,668	3,925	4,055	2,802
Fleet workdays	N/A	12,347	13,074	13,909	13,385	13,747	13,336	13,309	12,901	12,608
<b>Streets and highways</b>										
Potholes repaired	N/A	N/A	1,168	1,505	1,120	2,757	1,524	1,416	920	1,231
<b>Water</b>										
Number of service connections	N/A	113,489	116,857	127,196	124,414	125,846	134,910	140,721	136,220	137,701
Average daily consumption (in millions of gallons)	N/A	0.367	0.454	0.360	0.349	0.436	0.352	0.315	0.320	0.440
<b>Sewer</b>										
Number of service connections	N/A	63,235	61,248	65,848	67,786	68,550	74,865	69,199	69,508	67,698
Average daily treatment (in millions of gallons)	N/A	0.147	0.142	0.139	0.127	0.136	0.139	0.134	0.152	0.169
<b>Economic development</b>										
Permits issued	7,762	6,042	6,023	5,697	4,667	4,404	4,204	4,129	4,181	4,950
Building inspections	14,541	15,807	12,355	11,932	11,612	9,472	10,544	40,018	10,277	15,735

<sup>1</sup> During the year ended June 30, 2013 the City of Columbia sold a portion of its sewer system to a private contractor

Source: Various City departments

**Schedule 20**  
**CITY OF COLUMBIA, SOUTH CAROLINA**  
**Capital Asset Statistics By Function**

**Last Ten Fiscal Years**

Function/Program	Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Police</b>										
Police stations	27	20	24	24	22	14	14	14	16	10
Patrol units	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	205
Vehicles	N/A	92	138	155	206	233	244	305	371	358
<b>Fire</b>										
Fire stations	11	11	11	11	11	12	12	12	12	12
Vehicles	N/A	115	144	180	194	210	215	219	236	251
<b>Public works</b>										
Vehicles	N/A	325	376	422	457	486	518	553	603	600
Streets (miles)	219.00	219.00	219.00	219.00	219.00	219.00	219.00	220.00	220.00	275.00
Sidewalks (miles)	120.25	120.25	120.25	120.45	120.45	120.45	120.45	120.45	139.56	139.46
Traffic signals	261	261	261	261	262	262	262	262	265	364
Street lights	8,251	8,557	9,030	9,067	9,250	9,437	9,859	10,190	10,325	11,724
<b>Parks and recreation</b>										
Parks - acreage	537.35	597.85	597.85	597.85	597.85	600.00	600.00	600.00	600.00	600.00
Park facilities	57.00	58.00	58.00	58.00	58.00	59.00	59.00	59.00	60.00	60.00
Tennis courts	38.00	54.00	54.00	54.00	54.00	54.00	54.00	54.00	54.00	57.00
Swimming pools/splash pads	2.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	15.00
Playground	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	31.00	31.00
<b>Parking</b>										
Garages	6	6	6	7	7	8	8	8	9	9
Lots	4	5	5	5	5	5	5	5	5	5
Metered spaces	4,220	4,322	4,333	4,604	4,602	4,703	4,736	4,728	4,704	4,502
<b>Stormwater</b>										
Storm drains (miles)	137.00	137.00	137.00	137.00	137.00	137.00	137.00	137.00	137.00	254.00
Vehicles	N/A	N/A	N/A	54	55	55	70	67	69	63
<b>Wastewater</b>										
Sanitary sewer (miles)	14.40	18.30	992.70	1,002.50	1,036.90	1,047.97	1,053.75	1,100.00	1,108.50	1,059.00
Vehicles		135	143	161	183	200	212	278	331	300
Treatment plants	1	1	1	1	1	1	1	1	1	1
<b>Solid Waste</b>										
Vehicles	N/A	53	62	73	85	94	95	117	128	130
<b>Water</b>										
Water lines (miles)	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	2,250.00
Vehicles		125	138	178	209	228	237	256	281	291
Fire hydrants	254	289	6,189	3,063	3,307	5,200	5,300	5,300	5,350	5,450
Treatment plants	2	2	2	2	2	2	2	2	2	2

Source: Various City departments

Vehicle data includes both licensed and unlicensed vehicles