

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

CITY OF COLUMBIA, SOUTH CAROLINA

FISCAL YEAR ENDED JUNE 30, 2005

**City Manager
Charles P. Austin, Sr.**

**Finance Director
Catherine Alexander**

**Accounting Administrator
Tawana Shine**

**Prepared by the
Finance Department**

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 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

CITY OF COLUMBIA, SOUTH CAROLINA



**CITY OF COLUMBIA
SOUTH CAROLINA**

December 15, 2005

Honorable Robert D. Coble, Mayor
Members of City Council
City of Columbia, South Carolina

Ladies and Gentlemen:

It is our pleasure to submit this Comprehensive Annual Financial Report (CAFR) for the City of Columbia, South Carolina for the Fiscal Year Ended June 30, 2005. The organization, form, and content of this report, and the accompanying financial statements and statistical tables, were formulated according to the principles prescribed by the Governmental Accounting Standards Board and the Government Finance Officers Association. The City has implemented GASB Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments. The City of Columbia's financial statements have been audited by J.W. Hunt & Company, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Columbia for the fiscal year ended June 30, 2005, are free of material misstatement. The independent audit involved 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Columbia's financial statements for the year ended June 30, 2005, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. We believe that the information, as presented, is accurate in all material aspects and presented in a manner designed to fairly set forth the financial position of the City, as measured by the financial activity of its various funds. We believe that the report includes all disclosures necessary to enable the reader to gain a thorough understanding of the City's financial affairs. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

PRESENTATION

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The Introductory Section, which is unaudited, includes this Letter of Transmittal, the Certificate of Achievement for Excellence in Financial Reporting, a list of the City of Columbia's elected officials and organizational charts of City staff and the Finance Division. The Financial Section includes the Management's Discussion and Analysis, the Government-wide Financial Statements, Fund Financial Statements and notes to the financial statements, combining schedules as well as the independent auditor's report on these financial statements and schedules. The Statistical Section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

The City of Columbia is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget's Circular A-133, revised June 24, 1997, "Audits of States, Local Governments, and Non-Profit Organizations." Information related to this single audit, including a Schedule of Expenditures of Federal Awards, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs will be included in a separately issued single audit report.

General Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Columbia's MD&A can be found immediately following the report of the independent auditors.

REPORTING ENTITY

The financial reporting entity (the government) includes all the funds and account groups of the Primary Government (i.e., the City of Columbia as legally defined), as well as its Component Units. The Component Units of the City of Columbia are legally separate entities for which the Primary Government is financially accountable. The government provides a full range of services including police and fire protection, certain judicial services, community development and promotion, water and sewer services, solid waste services, construction and maintenance of streets and infrastructure, recreational activities and cultural events.

Discretely Presented Component Units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Primary Government and to differentiate their financial position and results of operations.

The City and its Organization

The City of Columbia is the largest city and the capital of South Carolina. It serves as the cultural, educational, and commercial center of the State. Columbia, located in the geographic center of South Carolina and is served by three interstate highways, and is a comfortable drive to a number of other southeastern metropolitan areas. There are 131.5 square miles of land within the corporate boundaries of the City. The City's estimated population is 117,394 with 565,666 in the metro area.

The City of Columbia has a Council – Manager form of government. The seven member City Council, including an elected Mayor, oversees a City Manager who is the Chief Executive Officer of the City and manages the day-to-day operations including budgeting and finances.

Economic Conditions and Outlook

The Greater Columbia Area has a business-friendly operating environment, a well-trained labor force, an excellent transportation network and support infrastructure that is pro-business. This results in steady growth for the Columbia economy. A balanced economic base, including federal, state and local governments, plus a large medical community provides a stable source of jobs for the growing workforce. The number of jobs in the region increased from 273,458 to 290,023.

The country's largest military training facility, Fort Jackson, is also located in Columbia. Annual expenditures by Fort Jackson exceed \$716 million, and over 100,000 family members visit the Midlands area each year to attend basic training graduation activities. These visitors have a solid impact on the local economy, supporting local hotels, restaurants and shopping areas. Fort Jackson is currently planning new infrastructure projects of approximately \$150 million.

A major economic "partner", The University of South Carolina has launched a major 56-acre Research Campus expansion program in Columbia's City Center. Being promoted as "The Innovista Campus", the research conducted will concentrate on nanotechnology, hydrogen fuel cell research, bio-medical and environmental sciences. The University will add 600 new faculty members in the next six years and five million square feet of new research-lab, classroom, administrative, residential and retail space. The City of Columbia will build two new parking facilities to support this expansion. The economic impact of new construction, \$141 million in Phase I, and the long-term effect of the new research, including the creation of new companies and new-high paying jobs using the new technology, will have a positive impact on the local and state economy.

The renaissance of Columbia's City Center continues with the occupancy of the new 300,000 square foot Meridian Tower office building and the construction of the new state headquarters of First Citizens Bank & Trust Company on Main Street that will be completed in early 2006. The 25-acre Canalside project

and the 180-acre redevelopment of the S.C. Mental Health property, as well as a number of infill projects will dramatically increase the availability of residential home ownership in Columbia's City Center within the next several years.

MAJOR INITIATIVES

The City's Master Plan highlights the strengths and opportunities available to support the continued growth of Columbia. The Master Plan sets forth a list of development opportunities, principles and strategies to guide public and private investment in the future, and focus on creating a vibrant urban core with a mixture of residential, retail and office space along with cultural and entertainment opportunities.

A partnership of local area governments, private business owners and landowners along the Midlands three rivers, are building a series of greenways, parks and trails. The Three Rivers Greenway is providing the long-awaited river access to the public while preserving the natural beauty and protecting the rivers as an asset for the local communities. The \$4 million Canalside Esplanade and \$6 million Canalfront project give evidence of the City's commitment to riverfront development.

The Congaree Vista district (The Vista) continues to be a major economic force in Columbia's City Center. The area stretches eight blocks from the riverfront to Main Street and naturally ties downtown to the new riverfront development. The Vista area is a mix of antique and retail shops, dining and entertainment establishments, as well as residential development. A new Publix grocery store was opened in an old historic warehouse in the Vista in August 2004. Over \$175 million in new development projects have begun within three blocks of Publix and more development is being planned.

The current revitalization effort in the North Columbia area involves business development, neighborhood redevelopment and major corridor streetscaping. Within this area specific targeted and programmed activities, exceeding \$35 million, have begun to facilitate job creation through investments in retail, commercial, industrial and manufacturing projects and residential housing initiatives.

With a mixture of revenue sources, the City of Columbia has embarked on a variety of infrastructure projects. These projects allow cabling for underground utilities, replacing or moving old water, sewer and storm drain utilities, redesigning streets, and updating gateways into the City. Streetscape improvements include Harden Street, Lady Street, Two Notch, North Main Street and Main Street. The projects will also include new sidewalks, period street lighting, and major landscaping, as well as infrastructure improvements.

The long anticipated construction of the new Charles R. Drew Wellness Center began in November 2003, and has been completed. The new center includes an indoor 25-meter swimming pool for competition, as well as instruction and general use, a large gymnasium, meeting rooms, offices and showers. The 39,953 square foot facility includes space for fitness activities including a wellness/health room. The Charles R. Drew Park Wellness Center enhances the City of Columbia's ability to provide instructional, recreational and competitive swimming and fitness activities for all of its citizens.

With the opening in September 2004 of the \$35 million Convention Center, the City has selected a private developer who is currently building a new 222 room Convention Center Hotel. The Hilton is expected to open in 2007. The City has recently issued \$45 million in Parking Revenue Bonds to pay for three new parking garages. The garages will be located near the Convention Center, two in the Main Street area and one in the Vista.

INTERNAL CONTROLS

Internal controls are procedures that are designed to protect assets from loss, theft or misuse; to check the accuracy and reliability of accounting data; to promote operational efficiency; and to encourage compliance with managerial policies. The management of the City is responsible for establishing a system of internal controls designed to provide reasonable assurances these objectives are met.

In addition to the examination of controls performed by members of the finance and accounting department, the City's internal auditors review and assess financial transactions for accuracy, completeness, and authorization.

Federal and State financial assistance programs require recipients to comply with many laws and regulations. Administrative controls are procedures designed to ensure compliance with these regulations. The City maintains budgetary controls, which are designed to ensure compliance with legal provisions of the annual budget as adopted by Council. The City's budget process provides for input from department administrators, top management, elected officials, and the public to determine the City's programs and services for the year. Transfers between funds are approved by the City Manager. The general fund has a formally adopted legal budget. Other funds have approved budgets for management purposes.

CASH MANAGEMENT POLICIES AND PRACTICES

The decision to split the \$140 million investment portfolio between four asset managers continues to be successful. This decision maximized the earnings potential on the portfolio. During an uncertain year in the market, the City of Columbia was able to minimize loss on market earnings with less portfolio risk with our management diversity. Additionally, the City maintains \$73 million in yield restricted money market funds for arbitrage purposes. These funds represent debt service reserve funds and the balance of bond proceeds. Our working capital is invested daily at a negotiated Federal Funds rate. Unrealized loss of \$1.3 million has been reported as a decrease in investment income in the year ended June 30, 2005.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Columbia for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2004. This was the tenth consecutive year that the City of Columbia has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. City management believes that this 2005 CAFR conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA for their review.

ACKNOWLEDGEMENTS

This report represents countless hours of preparation. Many individuals are responsible for its completion. The utmost appreciation is extended to the many City employees throughout the organization who daily maintain the financial records upon which this document is based. Special recognition is given to the employees of the finance and accounting department who worked diligently to insure the accuracy of the report.

These efforts and this kind of interest should indicate that our financial integrity is uppermost. Our commitment to sound financial management will continue, and with your support we feel that our City will remain dedicated and responsible.

Respectfully submitted,



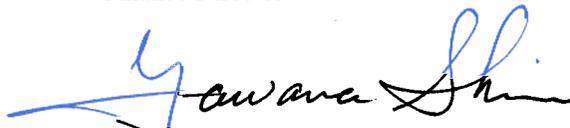
Charles P. Austin, Sr.
City Manager



Catherine G. Alexander
Finance Director



Steven A. Gantt
Senior Assistant City Manager



Tawana Shine
Accounting Administrator

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Columbia,
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Zielke

President

Jeffrey R. Emer

Executive Director

**CITY OF COLUMBIA, SOUTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
June 30, 2005**

MAYOR

Robert D. Coble

COUNCIL MEMBERS

District 1	Sam Davis
District 2	E. W. Cromartie, II
District 3	Anne M. Sinclair
District 4	Hamilton Osborne, Jr.
At Large	Tameika Isaac-Devine
At Large	Daniel J. Rickenmann

CITY MANAGER

Charles P. Austin, Sr.

ASSISTANT CITY MANAGER

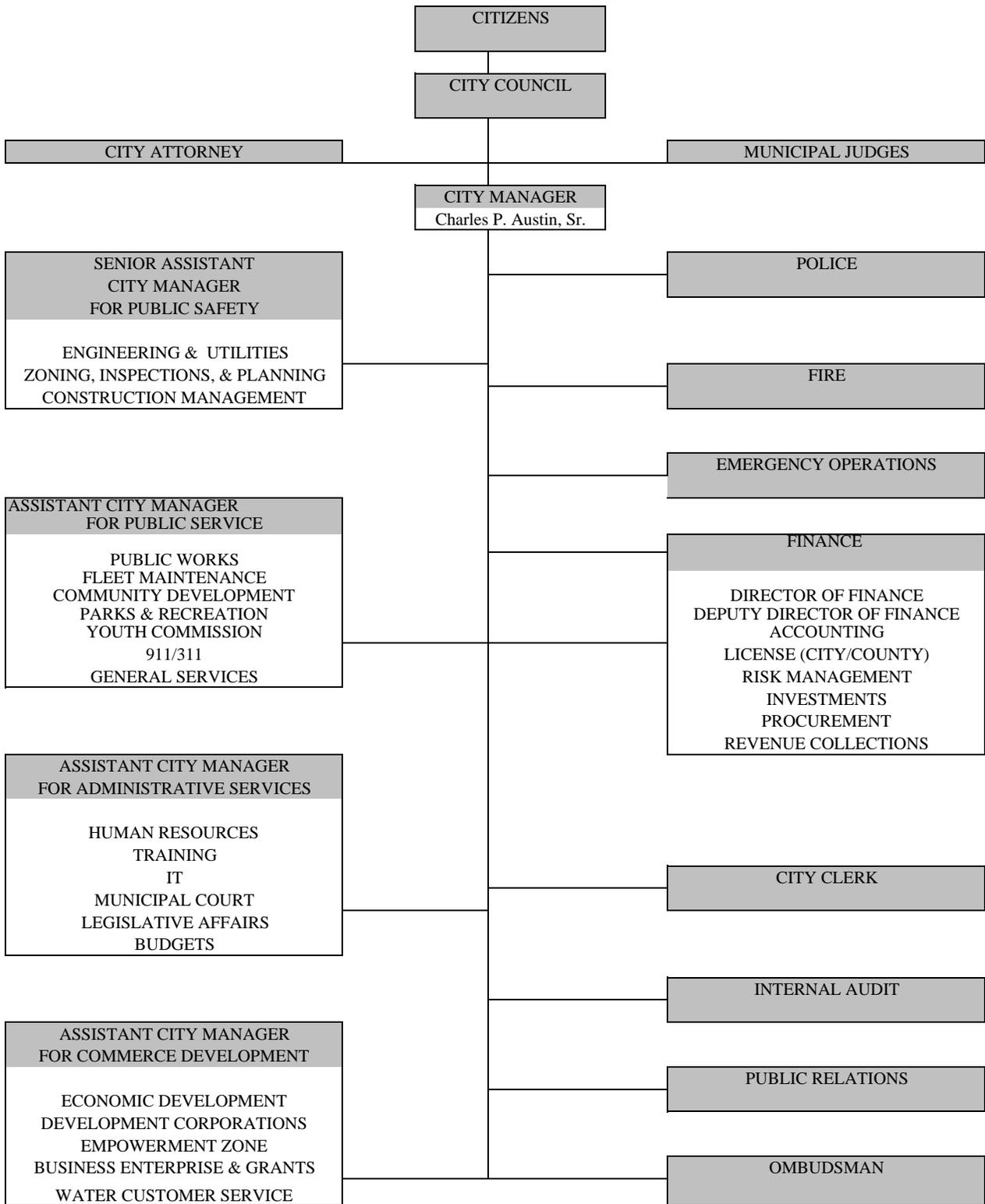
Senior Assistant City Manager for Operations	Steven A. Gantt
Assistant City Manager for Public Services	S. Allison Baker
Assistant City Manager for Administrative Services	Gladys L. Brown
Assistant City Manager for Commerce & Development	Dana D. Turner

DEPARTMENT HEADS

City Attorney	James S. Meggs
Community Development Director	Richard J. Semon
Court Administrator	Gladys L. Brown
Development Services/Zoning Director	Marc S. Mylott
Economic Development	James B. Gambrell
Finance Director	Catherine G. Alexander
Fire Chief	Wm. Bradley Anderson
General Services	John David Spade
Human Resources Director	Jacques A. Gilliam
Information Technology	Robert Hecker
Parks and Recreation Director	S. Allison Baker
Planning Director	Nathaniel B. Land
Police Chief	H. Dean Crisp, Jr.
Public Relations Director	Leshia Utsey
Public Works Director	Melissa Smith Gentry
Utilities & Engineering Director	John J. Dooley, Jr., P.E.

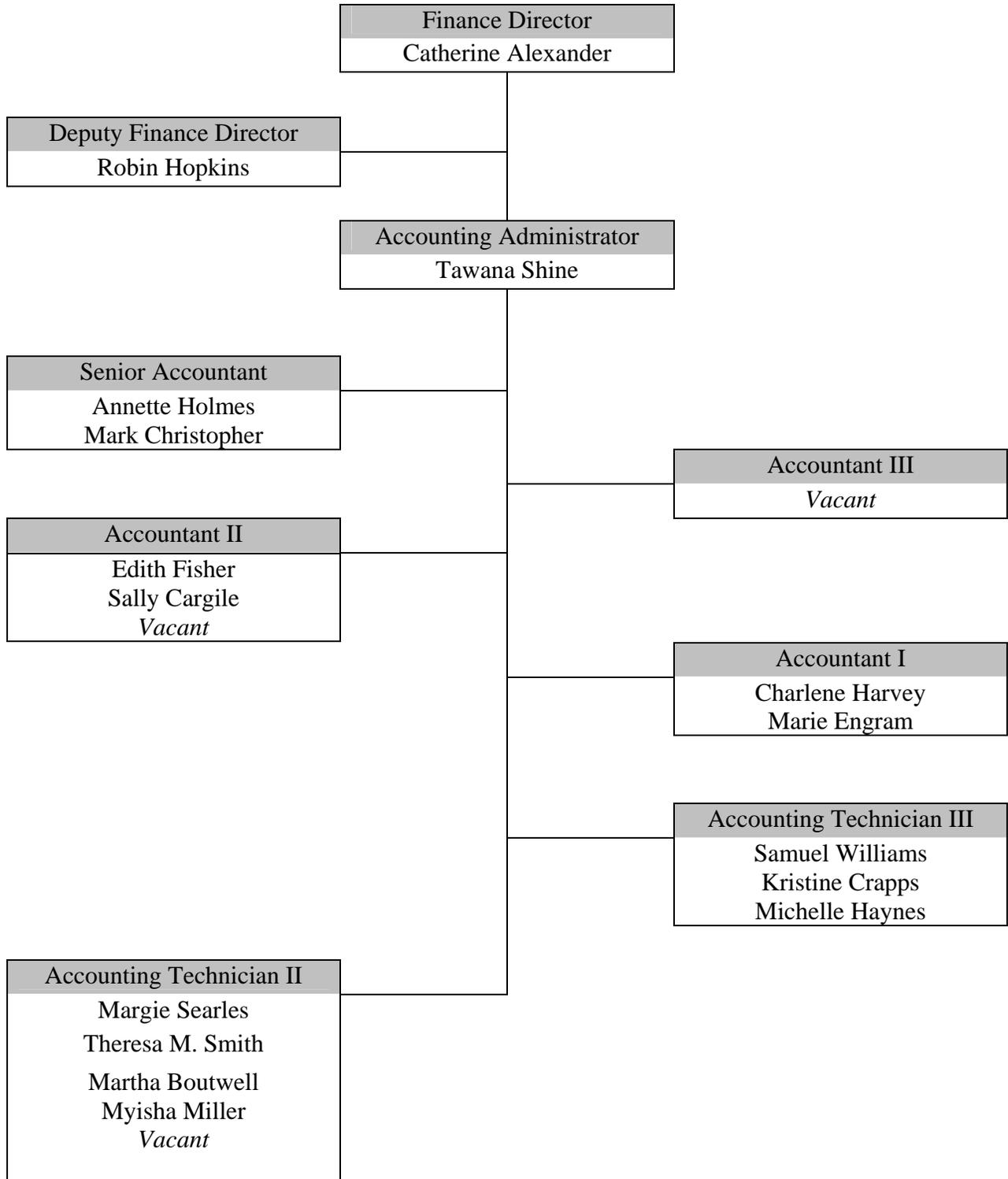
CITY OF COLUMBIA, SOUTH CAROLINA

ORGANIZATION CHART



CITY OF COLUMBIA, SOUTH CAROLINA

FINANCE DEPARTMENT ORGANIZATIONAL CHART



FINANCIAL SECTION

CITY OF COLUMBIA, SOUTH CAROLINA

J. W. HUNT AND COMPANY, LLP

JOHN C. CREECH, JR., CPA
ANNE H. ROSS, CPA
WILLIAM F. QUATTLEBAUM, CPA, CVA
WILLIAM T. POUNCEY, CPA
DAVID G. SHEFFIELD, CPA, CVA

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
PRIVATE COMPANIES PRACTICE SECTION AND
CENTER FOR PUBLIC COMPANY AUDIT FIRMS

CPA ASSOCIATES INTERNATIONAL, INC.,
A WORLDWIDE NETWORK OF ACCOUNTING FIRMS

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1607 ST. JULIAN PLACE
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COLUMBIA, SC 29202-0265
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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of City Council
City of Columbia, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Columbia, South Carolina (the City) as of and for the year ended June 30, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to 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 as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

(Continued)

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

The Management Discussion and Analysis and the Required Supplemental Information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

J. W. Hunt and Company, LLP

Columbia, South Carolina
December 15, 2005

CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis
(Unaudited)

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 fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3-6 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$678,679,556 (net assets).
- The government's total net assets increased by \$57,991,339.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$56,363,763, a decrease of \$11,332,259 in comparison with the prior year. Of this amount, \$35,947,754 is classified as unreserved. Additional information on the City's governmental fund balance is can be found in note I F on page 54 of this report.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$15,196,044, or 20 percent of total general fund expenditures.
- The City's total debt increased by \$42,798,066 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City 's basic financial statements. The City's basic financial statements comprise 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.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. 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 vacation 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 intended 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, public safety, parks and recreation, public services, general services, and community promotion. The business-type activities of the City include a water and sewer facility, a hydroelectric plant, storm water operations, parking facilities, transportation operations, and redevelopment programs.

The government-wide financial statements include not only the City itself (known as the primary government), but also eight legally separate component units. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 26-28 of this 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 funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial 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. Such information may be useful in evaluating a government's near-term financing requirements.

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 governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the county services fund, both of which are considered to be major funds. Data from the other twenty governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these 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 statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 29-31 of this report.

Proprietary funds. The City maintains six different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer facilities, hydro electric plant, storm water operations, parking facilities, transportation operations, and redevelopment programs. Internal service funds are 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 its fleet of vehicles, support services including inventory, and its risk management. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer facilities, which is considered a major fund of the City. The hydro electric plant, storm water operations, parking facilities, transportation operations, and the redevelopment programs, are combined into a single, aggregated presentation. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor proprietary funds and the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 32-35 of this report.

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

The basic fiduciary fund financial statement can be found on page 36 of this report.

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 to the financial statements can be found on pages 40-73 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor proprietary funds and internal service funds are presented immediately following the required supplementary information on general fund. Combining and individual fund statements and schedules can be found on pages 91-105 of this report.

Government-wide Financial Analysis

The following table reflects the condensed comparative Statement of Net Assets for 2005 and 2004.

City of Columbia Net Assets

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Assets						
Current and other assets	\$ 95,216,134	\$ 118,890,899	\$ 189,936,917	\$ 143,835,376	\$ 285,153,051	\$ 262,726,275
Capital assets	<u>157,930,199</u>	<u>116,003,331</u>	<u>501,318,280</u>	<u>471,140,514</u>	<u>659,248,479</u>	<u>587,143,845</u>
Total assets	<u>253,146,333</u>	<u>234,894,230</u>	<u>691,255,197</u>	<u>614,975,890</u>	<u>944,401,530</u>	<u>849,870,120</u>
Liabilities						
Long-term liabilities outstanding	38,723,196	46,611,088	165,571,042	123,693,460	204,294,238	170,304,548
Other liabilities	<u>30,824,953</u>	<u>35,980,157</u>	<u>30,602,783</u>	<u>22,285,422</u>	<u>61,427,736</u>	<u>58,265,579</u>
Total liabilities	<u>69,548,149</u>	<u>82,591,245</u>	<u>196,173,825</u>	<u>145,978,882</u>	<u>265,721,974</u>	<u>228,570,127</u>
Net assets						
Invested in capital assets, net of related debt	45,224,118	13,958,745	323,319,938	347,215,982	368,544,056	361,174,727
Restricted	54,858,328	88,268,459	18,553,749	33,854,487	73,412,077	122,122,946
Unrestricted	<u>83,515,738</u>	<u>50,075,781</u>	<u>153,207,685</u>	<u>87,926,539</u>	<u>236,723,423</u>	<u>138,002,320</u>
Total net assets	<u>\$ 183,598,184</u>	<u>\$ 152,302,985</u>	<u>\$ 495,081,372</u>	<u>\$ 468,997,008</u>	<u>\$ 678,679,556</u>	<u>\$ 621,299,993</u>

Over half of the City's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is 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.

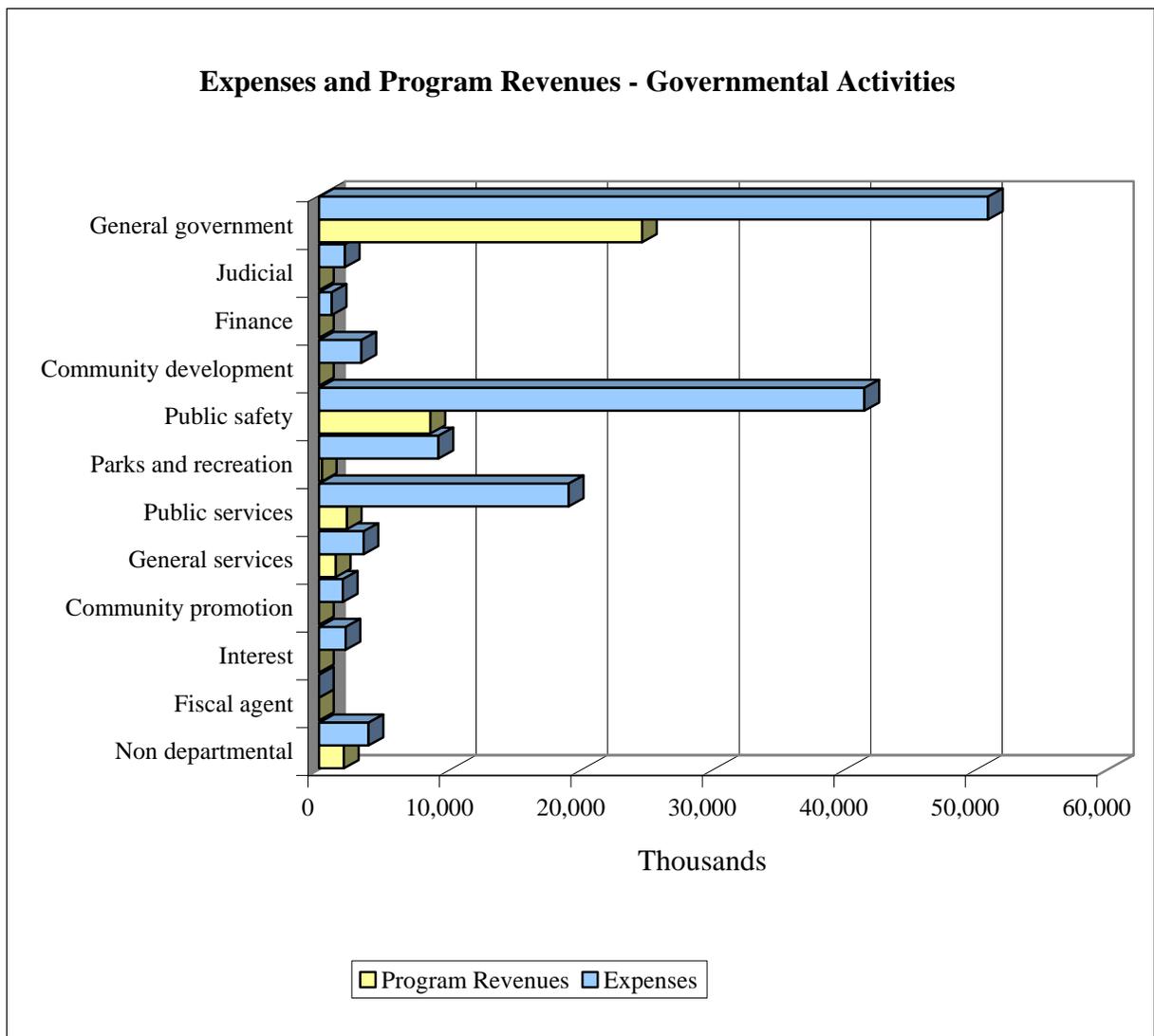
The table below provides a summary of the changes in net assets for the years ended June 30, 2005 and 2004:

City of Columbia
Condensed Statement of Changes in Net Assets
For the Years Ended June 30, 2005 and 2004

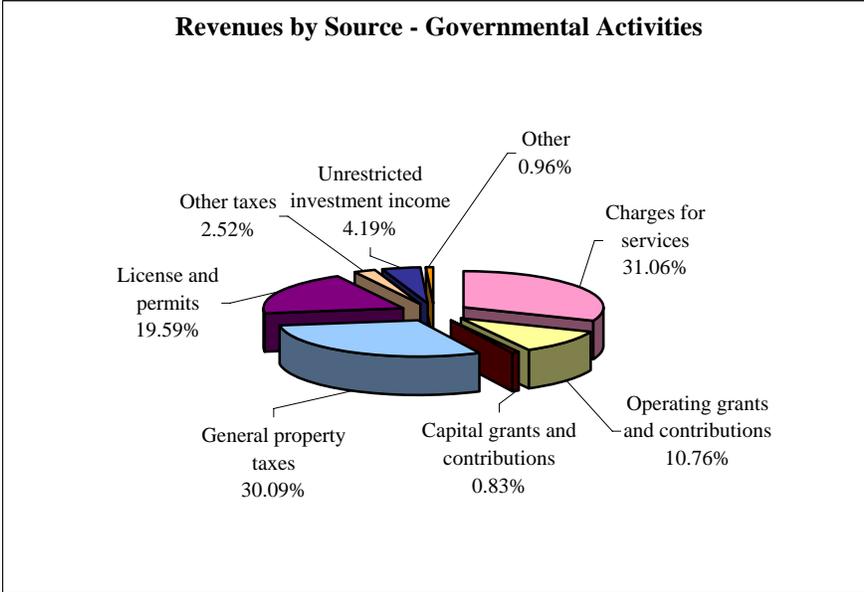
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenues						
Program revenues						
Charges for services	\$ 62,989,276	\$ 62,344,228	\$ 96,099,207	\$ 93,091,866	\$ 159,088,483	\$ 155,436,094
Operating grants & Contributions	25,839,940	16,251,273	-	-	25,839,940	16,251,273
Capital grants & contributions	-	872,341	-	-	-	872,341
General revenues						
Property taxes	36,597,464	38,407,974	-	-	36,597,464	38,407,974
Other taxes	3,155,799	3,060,124	-	-	3,155,799	3,060,124
Unrestricted investment income	2,625,477	12,996	3,368,514	1,218,796	5,993,991	1,231,792
Other	<u>1,134,362</u>	<u>1,106,034</u>	<u>58,153</u>	<u>306,755</u>	<u>1,192,515</u>	<u>1,412,789</u>
Total revenues	<u>132,342,318</u>	<u>122,054,970</u>	<u>99,525,874</u>	<u>94,617,417</u>	<u>231,868,192</u>	<u>216,672,387</u>
Expenses						
General government	6,912,887	43,839,690	-	-	6,912,887	43,839,690
Judicial	1,967,326	2,219,739	-	-	1,967,326	2,219,739
Finance department	1,194,909	1,232,327	-	-	1,194,909	1,232,327
Community development	3,082,389	3,479,088	-	-	3,082,389	3,479,088
Public safety	38,027,339	43,635,426	-	-	38,027,339	43,635,426
Parks & recreation	13,169,502	8,982,103	-	-	13,169,502	8,982,103
Public services	25,910,346	25,123,790	-	-	25,910,346	25,123,790
General services	2,630,296	2,948,912	-	-	2,630,296	2,948,912
Community promotion	781,376	1,108,589	-	-	781,376	1,108,589
Interest on bonds	3,131,666	3,861,176	-	-	3,131,666	3,861,176
Fiscal agent charges	-	4,078	-	-	-	4,078
Non departmental	3,956,106	4,385,198	-	-	3,956,106	4,385,198
Water/sewer facilities	-	-	67,586,282	68,234,546	67,586,282	68,234,546
Hydro electric plant	-	-	903,114	935,515	903,114	935,515
Storm water operating	-	-	1,518,394	1,537,867	1,518,394	1,537,867
Parking facilities	-	-	2,745,011	2,887,975	2,745,011	2,887,975
Transportation operations	-	-	121,363	130,053	121,363	130,053
Redevelopment programs	<u>-</u>	<u>-</u>	<u>238,547</u>	<u>624,323</u>	<u>238,547</u>	<u>624,323</u>
Total expenses	<u>100,764,142</u>	<u>140,820,116</u>	<u>73,112,711</u>	<u>74,350,279</u>	<u>173,876,853</u>	<u>215,170,395</u>
Increase (decrease) in net assets						
before transfers	31,578,176	(18,765,146)	26,413,163	20,267,138	57,991,339	1,501,992
Transfers	<u>243,168</u>	<u>1,906,389</u>	<u>(243,168)</u>	<u>(1,906,389)</u>	<u>-</u>	<u>-</u>
Change in net assets	31,821,344	16,858,757	26,169,995	18,360,749	57,852,369	1,501,992
Net assets 7/1/04						
Prior period adjustment	<u>(526,145)</u>	<u>-</u>	<u>(85,631)</u>	<u>-</u>	<u>(611,776)</u>	<u>-</u>
Net assets 7/1/04 as restated	<u>151,776,840</u>	<u>169,161,742</u>	<u>468,911,377</u>	<u>450,636,259</u>	<u>620,688,217</u>	<u>619,798,001</u>
Net assets 6/30/05						
	<u>\$ 183,598,184</u>	<u>\$ 152,302,985</u>	<u>\$ 495,081,372</u>	<u>\$ 468,997,008</u>	<u>\$ 678,679,556</u>	<u>\$ 621,299,993</u>

The City's net assets increased \$56,363,763 during the current fiscal year. The following tables and graphs provide information regarding the government's change in net assets for the year ending June 30, 2005.

<u>Expenses and Program Revenues – Governmental Activities</u>		
	Expenses	Program Revenues
General government	\$ 6,912,887	\$ 48,426,361
Judicial	1,967,326	-
Finance department	1,194,909	24,770,726
Community development	3,082,389	1,895,324
Public safety	38,027,339	10,074,367
Parks and recreation	13,169,502	246,831
Public services	25,910,346	1,291,775
General services	2,630,296	-
Community promotion	781,376	-
Interest on bonds	3,131,666	-
Non departmental	3,956,106	2,123,832



Revenues by Source – Governmental Activities	
Charges for services	\$ 62,989,276
Operating grants and contributions	25,839,940
Capital grants and contributions	-
General property taxes	36,597,464
License and permits	-
Other taxes	3,155,799
Unrestricted investment income	2,625,477
Other	1,134,362



Governmental Activities. Net assets increased by \$31,821,344 in 2005.

Revenues

The general fund revenues increased by \$1,273,544 from the prior year. Increased collections for licenses and permits of approximately \$1 million during the year accounts for the overall increase. Special revenue fund revenue increased by \$1.6 million from the prior year while other grant revenue increased by \$1.8 million. Capital project fund revenue increased \$4.9 million from the prior year with the general capital projects fund increasing by \$3.2 million.

Expenses

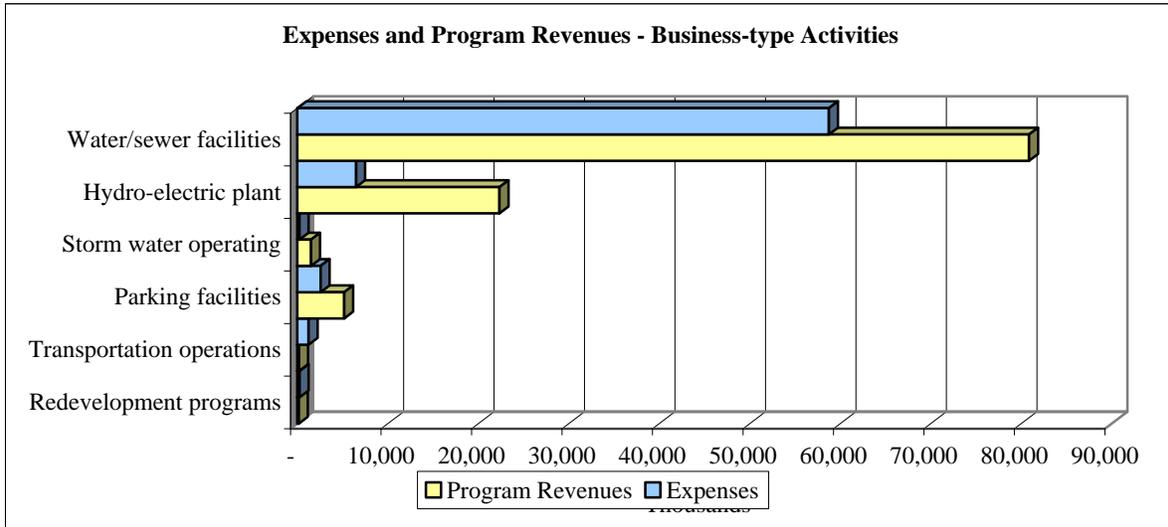
The general fund had the largest increase in operating expenditures of \$1.12 million from the prior year. The largest increase of approximately \$1.9 million was in public services.

Transfers

Governmental funds had a net transfer in from business-type funds of \$243,168.

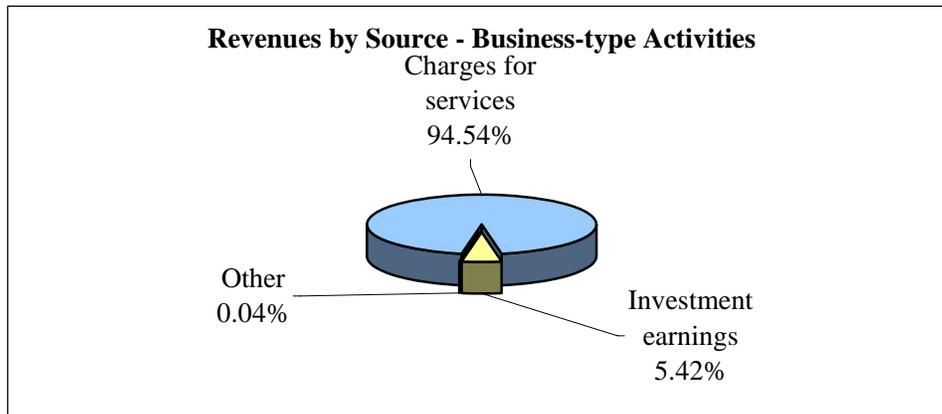
Expenses and Program Revenues – Business type Activities

	<u>Expenses</u>	<u>Program Revenues</u>
Water/sewer facilities	\$ 67,586,282	\$ 84,981,926
Hydro electric plant	903,114	635,608
Storm water operating	1,518,394	3,679,426
Parking facilities	2,745,011	6,737,387
Transportation operations	121,363	360
Redevelopment programs	238,547	64,500



Revenues by Source – Business-type Activities

Charges for services	\$ 96,099,207
Investment earnings	3,368,514
Other	58,153



Business-type Activities. Net assets increased by \$26,169,995.

Revenues

Operating revenues increased over the prior year by \$1.6 million or 1.9 percent. Storm water fund revenues accounted for a \$1.7 million increase in revenue from the prior year while the water and sewer fund had a \$.6 million decrease in revenue from the prior year.

Expenses

Business-type funds had an increase in expenses (less depreciation) of \$3.1 million or 6.8 percent. The largest increase was in the water and sewer fund with an increase of approximately \$2.6 million in personal service costs.

Transfers

Business-type funds had a net transfer out to governmental funds of \$243,168.

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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$56,363,763, a decrease of \$11,332,259 in comparison with the prior year. Approximately 64 percent of this total amount (\$35,947,754) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$15,031,213), 2) to pay debt service (\$4,979,073), 3) to pay long-term notes (\$400,000) or 4) for other restricted purposes (\$5,723).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$15,196,044, while total fund balance reached \$16,843,510. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 20 percent of total general fund expenditures, while total fund balance represents 22 percent of that same amount.

The fund balance of the City's general fund increased by \$366,961 during the current fiscal year. Operating revenues increased from prior year in the general fund by \$1,273,544. The largest increase was in license and permits of \$1.23 million. Operating expenditures increased from the prior year in the general fund by \$1.18 million.

Fund balance in special revenue funds increased by \$1.9 million.

Capital projects fund balance decreased by \$14.2 million.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The water and sewer facilities fund accounts for 47 percent of the total change in net assets of \$26 million.

The water and sewer facilities fund shows an operating income of \$76.6 million. The fund had capital contributions of \$8.2 million for this fiscal year.

General Fund Budgetary Highlights

The general fund variance of revenues collected over the budget is \$5,051,720. Actual revenues collected for business licenses and permits exceeded the budget by \$5,264,702. The largest portion of the increase in business license is reflected in the insurance industry rate increase, the ability to better monitor companies through multiple referencing, and companies more accurately reporting income.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of June 30, 2005 amounts to \$659,248,479 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the City's investment in capital assets for the current fiscal year was 12 percent (a 36 percent increase for governmental activities and a 6 percent increase for business-type activities).

In lieu of annual depreciation, the City has elected to use the "modified approach" for its infrastructure assets. The pavement management system uses a measurement scale. Roads rating a 100 to 80 are classified as being in good condition while roads earning a rating of 79 to 50 are considered in serviceable condition and roads rating below 50 are considered in poor condition. Approximately 20 percent of the City's roads are in good condition. Approximately 75 percent are in serviceable condition and the remaining 5 percent are in poor condition. Target condition levels are 25 percent good and 75 percent serviceable with no roads in poor condition.

Major capital asset events during the current fiscal year included the following:

- Improvements to the water treatment plants increased construction in progress by \$28,572,235.
- Improvements to the water treatment plants were completed and added to capital assets (\$18.4 million).
- Contributed capital was added to capital assets of \$8.2 million.

City's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 39,276,883	\$ 39,245,971	\$ 13,676,365	\$ 9,641,445	\$ 52,953,248	\$ 48,887,416
Construction						
work-in-progress	41,954,477	9,334,975	83,560,817	62,066,655	125,515,294	71,401,630
Infrastructure	3,740,440	2,180,880	-	-	3,740,440	2,180,880
Buildings	81,854,577	72,158,339	603,780,415	583,975,098	685,634,992	656,133,437
Machinery and equipment	37,634,615	35,915,605	20,586,052	19,574,517	58,220,667	55,490,122
Accumulated depreciation	(46,530,793)	(42,832,439)	(220,285,369)	(204,117,201)	(266,816,162)	(246,949,640)
Total	\$ 157,930,199	\$ 116,003,331	\$ 501,318,280	\$ 471,140,514	\$ 659,248,479	\$ 587,143,845

Additional information on the City's capital assets can be found in note III H on pages 63-64 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$221,786,210. Of this amount, \$20,320,000 comprises debt backed by the full faith and credit of the government and \$19,311,392 is tax increment debt for which the City is liable for the full amount of the debt but the debt service is paid through incremental tax revenues from property owners located in specific areas. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

City's Outstanding Debt General Obligation and Revenue Bonds

The City's total debt increased by \$42,734,556 during the current fiscal year. This increase consisted of principal payments of \$26.5 million and addition of revenue bonds of \$64.1 million.

The City maintains an "AAA" rating from Standard & Poor's and an "Aaa" rating from Moody's for general obligation debt. The revenue bonds of the City have been rated "AA" by Standard & Poor's and a "Aa2" by Moody's.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8 percent of its total assessed valuation without referendum. The current debt limitation for the City is \$27,040,507, which is in excess of the City's outstanding general obligation debt.

Additional information on the City's long-term debt can be found in note III K on pages 64-69 of this report.

Economic Factors and Subsequent Events

- The unemployment rate for the City of Columbia is currently 6 percent. This compares favorably to the state's average unemployment rate of 6.9 percent but falls below the national average of 5 percent.
- The South Carolina leading index has fluctuated since January, 2005; this inconsistent pattern is expected to continue. The variation suggests an economy that is growing by historical standards.

Additional information regarding the City's subsequent events can be found in note VIII on page 73. These factors were considered in preparing the City's budget for the 2005 fiscal year.

The City has an unreserved fund balance of \$12,211,089, which is 10 percent of the next year appropriation.

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 financial information should be addressed to the Office of the Director of Finance, City of Columbia, PO Box 147, 1136 Washington Street, Columbia, South Carolina, 29217.

BASIC FINANCIAL STATEMENTS

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

June 30, 2005

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 35,915,198	\$ 19,893,256	\$ 55,808,454	\$ 12,289,404
Investments	41,473,510	64,425,409	105,898,919	18,259,564
Receivables				
Property taxes	1,547,956	0	1,547,956	0
Federal government	3,091,547	0	3,091,547	0
State government	1,428,670	0	1,428,670	0
Other	6,140,472	0	6,140,472	0
Accounts	689,943	7,049,691	7,739,634	508,056
Accrued interest receivable	345,543	692,714	1,038,257	105,117
Notes receivable, net of allowance	400,000	3,815,662	4,215,662	202,789
Inventory	4,305,722	0	4,305,722	1,643
Internal balances	(449,187)	449,187	0	0
Due from component units	17,063	934,580	951,643	0
Due from primary government	0	0	0	28,502
Prepaid expenses	0	0	0	99,037
Escrow deposit	0	0	0	0
Unamortized bond costs	309,697	0	309,697	0
Real estate held for resale	0	555,941	555,941	4,650,371
Cash and cash equivalents restricted	0	17,831,143	17,831,143	0
Total current assets	95,216,134	115,647,583	210,863,717	36,144,483
Noncurrent assets				
Cash and cash equivalents restricted	0	50,316,148	50,316,148	0
Mortgage note receivable, net	0	17,938,985	17,938,985	789,227
Notes receivable	0	914,412	914,412	0
Unamortized bond discounts and costs	0	2,383,734	2,383,734	1,430,912
Investment in partnership	0	0	0	613,092
Other	0	0	0	16,205
Contract receivable	0	2,736,055	2,736,055	0
Capital assets not being depreciated:				
Land	39,276,883	13,676,365	52,953,248	1,445,547
Construction in progress	41,954,477	83,560,817	125,515,294	3,410,620
Infrastructure	3,740,440	0	3,740,440	0
Capital assets net of accumulated depreciation:				
Buildings, improvements and utility plant	62,074,724	396,116,379	458,191,103	43,671,496
Machinery and equipment	10,883,675	7,964,719	18,848,394	0
Total noncurrent assets	157,930,199	575,607,614	733,537,813	51,377,099
Total assets	\$ 253,146,333	\$ 691,255,197	\$ 944,401,530	\$ 87,521,582

(Continued)

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

June 30, 2005

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES AND FUND BALANCE				
Current Liabilities				
Accounts payable	\$ 5,455,734	\$ 5,122,367	\$ 10,578,101	\$ 1,595,028
Accrued salaries and benefits	2,794,697	1,200,777	3,995,474	0
Accrued liability for claims	9,061,335	1,503,468	10,564,803	0
Accrued interest	248,171	0	248,171	0
Retainage payable	37	2,769,242	2,769,279	0
Deferred revenue	1,762,991	0	1,762,991	83,859
Due to component unit	2,008,242	0	2,008,242	0
Due to primary government	0	0	0	937,697
Compensated absences	5,149,073	0	5,149,073	0
Current notes payable	0	114,825	114,825	5,902,051
Current contracts payable	0	792,921	792,921	0
Capital lease payable (due in one year)	690,244	1,091,638	1,781,882	0
Bonds and notes (due in one year)	3,654,429	0	3,654,429	0
Payable from restricted assets:				
Accrued interest	0	2,495,372	2,495,372	0
General obligation bonds payable	0	210,000	210,000	0
Revenue bonds payable	0	15,297,477	15,297,477	0
Customer deposits	0	4,696	4,696	0
Total current liabilities	30,824,953	30,602,783	61,427,736	8,518,635
Noncurrent liabilities				
Noncurrent notes payable	0	640,000	640,000	58,577,588
Capital lease purchase	2,956,233	0	2,956,233	0
Bonds and notes (due after one year)	35,177,951	161,364,402	196,542,353	0
Contracts payable	0	3,566,640	3,566,640	0
Unamortized premium	589,012	0	589,012	0
Total non current liabilities	38,723,196	165,571,042	204,294,238	58,577,588
Total liabilities	69,548,149	196,173,825	265,721,974	67,096,223
Net assets				
Invested in capital assets, net of related debt	45,224,118	323,319,938	368,544,056	5,654,756
Restricted for encumbrances	15,031,213	0	15,031,213	0
Restricted for debt service	39,421,392	18,550,049	57,971,441	498,387
Restricted for deposits	0	3,700	3,700	0
Reserved for long-term loans receivable	400,000	0	400,000	0
Held in trust				
Nonexpendable	5,000	0	5,000	0
Expendable	723	0	723	0
Unrestricted	83,515,738	153,207,685	236,723,423	14,272,216
Total net assets	183,598,184	495,081,372	678,679,556	20,425,359
Total liabilities and net assets	\$ 253,146,333	\$ 691,255,197	\$ 944,401,530	\$ 87,521,582

See accompanying notes to the basic financial statements

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2005

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Component Units
					Governmental Activities	Business-type Activities		
Primary government								
Governmental activities								
General government	\$ 6,912,887	\$ 22,917,241	\$ 25,509,120	\$ 0	\$ 41,513,474	\$ 0	\$ 41,513,474	\$ 0
Judicial	1,967,326	0	0	0	(1,967,326)	0	(1,967,326)	0
Finance department	1,194,909	24,770,726	0	0	23,575,817	0	23,575,817	0
Community development	3,082,389	1,895,324	0	0	(1,187,065)	0	(1,187,065)	0
Public safety	38,027,339	10,074,367	0	0	(27,952,972)	0	(27,952,972)	0
Parks and recreation	13,169,502	246,831	0	0	(12,922,671)	0	(12,922,671)	0
Public services	25,910,346	960,955	330,820	0	(24,618,571)	0	(24,618,571)	0
General services	2,630,296	0	0	0	(2,630,296)	0	(2,630,296)	0
Community promotion	781,376	0	0	0	(781,376)	0	(781,376)	0
Interest on bonds	3,131,666	0	0	0	(3,131,666)	0	(3,131,666)	0
Non departmental	3,956,106	2,123,832	0	0	(1,832,274)	0	(1,832,274)	0
Total governmental activities	100,764,142	62,989,276	25,839,940	0	(11,934,926)	0	(11,934,926)	0
Business-type activities								
Water/sewer facilities	67,586,282	84,981,926	0	0	0	17,395,644	17,395,644	0
Hydro-electric plant	903,114	635,608	0	0	0	(267,506)	(267,506)	0
Storm water operating	1,518,394	3,679,426	0	0	0	2,161,032	2,161,032	0
Parking facilities	2,745,011	6,737,387	0	0	0	3,992,376	3,992,376	0
Transportation operating	121,363	360	0	0	0	(121,003)	(121,003)	0
Redevelopment programs	238,547	64,500	0	0	0	(174,047)	(174,047)	0
Total business-type activities	73,112,711	96,099,207	0	0	0	22,986,496	22,986,496	0
Total primary government	\$ 173,876,853	\$ 159,088,483	\$ 25,839,940	\$ 0	(11,934,926)	22,986,496	11,051,570	0
COMPONENT UNITS	\$ 11,257,288	\$ 5,368,283	\$ 4,054,055	\$ 588,185	0	0	0	(1,246,765)
General revenues								
General property taxes					36,597,464	0	36,597,464	0
Alcoholic beverage taxes					3,131,607	0	3,131,607	0
Motor fuel taxes					14,239	0	14,239	0
Miscellaneous state taxes					9,953	0	9,953	0
Fines and forfeitures					903,730	0	903,730	0
Unrestricted investment earnings					2,625,477	3,368,514	5,993,991	596,813
Amortization of premium					91,788	0	91,788	0
Gain on sale of capital assets					138,844	58,153	196,997	0
Transfers					243,168	(243,168)	0	0
Total general revenues and transfers					43,756,270	3,183,499	46,939,769	(649,952)
Change in net assets					31,821,344	26,169,995	57,991,339	(649,952)
Net assets - beginning					152,302,985	468,997,008	621,299,993	20,450,311
Prior Period Adjustment					(526,145)	(85,631)	(611,776)	625,000
Net assets - beginning, as restated					151,776,840	468,911,377	620,688,217	21,075,311
Net assets - ending					183,598,184	\$ 495,081,372	\$ 678,679,556	\$ 20,425,359

CITY OF COLUMBIA, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2005

	General	County Services	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,260,308	\$ 366,544	\$ 22,236,900	\$ 25,863,752
Investments	10,270,867	0	14,351,262	24,622,129
Receivables				
Property taxes	1,494,392	0	53,564	1,547,956
Federal government	0	0	3,091,547	3,091,547
State government	788,765	0	639,905	1,428,670
Other	622	1,029,243	4,982,132	6,011,997
Accounts	608,521	0	0	608,521
Accrued interest receivable	118,879	0	109,104	227,983
Notes receivable	400,000	0	0	400,000
Due from other funds	3,318,987	0	4,806,798	8,125,785
Due from component units	15,054	0	2,009	17,063
Total assets	\$ 20,276,395	\$ 1,395,787	\$ 50,273,221	\$ 71,945,403
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ 837,475	\$ 456,365	\$ 2,936,347	\$ 4,230,187
Accrued salaries and benefits	2,024,515	295,632	76,491	2,396,638
Retainage payable	0	0	37	37
Deferred revenue	379,694	0	1,003,603	1,383,297
Due to other funds	191,201	643,790	4,728,248	5,563,239
Due to component unit	0	0	2,008,242	2,008,242
Total liabilities	3,432,885	1,395,787	10,752,968	15,581,640
Fund balance				
Reserved for encumbrances	1,247,466	0	13,783,747	15,031,213
Reserved for debt service	0	0	4,979,073	4,979,073
Reserved for long-term loans receivable	400,000	0	0	400,000
Held in trust				
Nonexpendable	0	0	723	723
Expendable	0	0	5,000	5,000
Unreserved, reported in				
General fund	15,196,044	0	0	15,196,044
Special revenue funds	0	0	8,152,704	8,152,704
Capital projects funds	0	0	12,599,006	12,599,006
Total fund balance	16,843,510	0	39,520,253	56,363,763
Total liabilities and fund balance	\$ 20,276,395	\$ 1,395,787	\$ 50,273,221	
Amounts reported for governmental activities in the statement of net assets are different because:				
Internal Service funds are used by management to charge the costs of fleet management, support services, and risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets				18,632,688
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds				153,490,366
Certain other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds				
Property taxes receivable, net of allowance for doubtful accounts of \$660,516.00				(379,694)
Unamortized bond costs				309,697
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds				
Accrued compensated absences				(5,149,073)
Accrued interest				(248,171)
Accrued bonds and notes payable				(38,832,380)
Unamortized premium				(589,012)
Net assets of governmental activities				\$ 183,598,184

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

For the Year Ended June 30, 2005

	General	County Services	Other Governmental Funds	Total Governmental Funds
REVENUES				
General property taxes	\$ 31,285,819	\$ 0	\$ 0	\$ 31,285,819
License and permits	26,666,050	0	0	26,666,050
Intergovernmental revenue	8,728,588	0	0	8,728,588
Charges for services	6,059,904	0	0	6,059,904
Fines and forfeitures	903,730	0	0	903,730
Federal government	0	0	5,053,074	5,053,074
State government	0	0	3,378,397	3,378,397
County government	0	10,191,739	6,580,448	16,772,187
Promotions	0	0	264,974	264,974
Confiscated funds	0	0	40,488	40,488
Current taxes	0	0	5,243,537	5,243,537
Investment income	353,198	0	761,040	1,114,238
Other revenues	258,160	7,660,537	11,779,588	19,698,285
Revenue from component units	82,107	0	0	82,107
Cost recovery fees	3,208,450	0	0	3,208,450
Total revenues	77,546,006	17,852,276	33,101,546	128,499,828
EXPENDITURES				
Current				
General government	5,572,898	17,775,548	22,442,196	45,790,642
Judicial	1,888,129	0	0	1,888,129
Finance department	1,192,351	0	0	1,192,351
Community development	3,161,595	0	0	3,161,595
Public safety	37,124,426	0	424,123	37,548,549
Parks and recreation	6,404,335	0	6,658,673	13,063,008
Public services	17,040,356	0	8,047,104	25,087,460
General services	2,366,418	0	0	2,366,418
Community promotion	781,376	0	0	781,376
Non departmental	1,823,582	0	0	1,823,582
Paid to component units	41,861	0	805,836	847,697
Debt service				
Principal retirement	0	0	4,914,429	4,914,429
Interest on bonds	0	0	1,847,366	1,847,366
Fiscal agent charges	0	0	3,684	3,684
Capital outlay				
Capital outlay	0	76,728	431,381	508,109
Total expenditures	77,397,327	17,852,276	45,574,792	140,824,395
Excess (deficiency) of revenues over (under) expenditures	148,679	0	(12,473,246)	(12,324,567)
OTHER FINANCING SOURCES (USES)				
Transfers in	5,610,000	0	11,688,701	17,298,701
Transfers (out)	(5,391,718)	0	(10,914,675)	(16,306,393)
Total other financing sources (uses)	218,282	0	774,026	992,308
Change in net assets	366,961	0	(11,699,220)	(11,332,259)
Beginning fund balance	16,476,549	0	51,745,618	68,222,167
Prior Period Adjustment	0	0	(526,145)	(526,145)
Beginning fund balance, as restated	16,476,549	0	51,219,473	67,696,022
Fund balance, end of year	\$ 16,843,510	\$ 0	\$ 39,520,253	\$ 56,363,763

See accompanying notes to the basic financial statements

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

For the Year Ended June 30, 2005

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

Net change in fund balance - total governmental funds	\$ (11,332,259)
Internal Service funds are used by management to charge the costs of fleet management, support services, and risk management to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities	(169,946)
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets	
Capital asset purchases capitalized	42,364,963
Depreciation expense	(3,838,451)
Capital asset sold-loss	(356,000)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	
Accrued compensated absences	(213,936)
Accrued interest	27,648
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	68,108
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	5,271,217
	<u>\$ 31,821,344</u>

See accompanying notes to the basic financial statements

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

June 30, 2005

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water/Sewer Facilities Fund</u>	<u>Other Proprietary Funds</u>	<u>Total</u>	<u>Activities Internal Service Funds</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 14,929,484	\$ 4,963,772	\$ 19,893,256	\$ 10,051,446
Investments	47,058,279	17,367,130	64,425,409	16,851,381
Accounts receivable, net	5,854,408	1,195,283	7,049,691	81,422
Mortgage notes receivable, net	180,000	3,635,662	3,815,662	0
Accrued interest receivable	442,853	249,861	692,714	117,560
Deposits	0	0	0	128,475
Due from other funds	1,810,306	0	1,810,306	361,969
Due from component unit	934,580	0	934,580	0
Inventory	0	0	0	4,305,722
Real estate held for resale	0	555,941	555,941	0
Restricted Investments:				
Bond and interest redemption funds	17,152,602	678,541	17,831,143	0
Total current assets	88,362,512	28,646,190	117,008,702	31,897,975
Noncurrent assets				
Restricted cash and cash equivalents	49,597,242	718,906	50,316,148	0
Capital assets:				
Land	4,232,349	9,444,016	13,676,365	0
Construction in progress	78,608,517	4,952,300	83,560,817	0
Buildings, improvements and utility plant	572,904,632	30,875,783	603,780,415	903,585
Machinery and equipment	19,153,785	1,432,267	20,586,052	6,694,843
Less, accumulated depreciation	(213,153,530)	(7,131,839)	(220,285,369)	(3,158,595)
Net capital assets	461,745,753	39,572,527	501,318,280	4,439,833
Mortgage notes receivable, net	0	17,938,985	17,938,985	0
Notes receivable	914,412	0	914,412	0
Contract receivable	0	2,736,055	2,736,055	0
Unamortized bond discounts and costs	2,290,987	92,747	2,383,734	0
Total noncurrent assets	514,548,394	61,059,220	575,607,614	4,439,833
Total assets	\$ 602,910,906	\$ 89,705,410	692,616,316	36,337,808

(Continued)

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

June 30, 2005

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water/Sewer Facilities Fund</u>	<u>Other Proprietary Funds</u>	<u>Total</u>	<u>Activities Internal Service Funds</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current liabilities:				
Accounts payable	\$ 4,525,059	\$ 597,308	\$ 5,122,367	\$ 1,225,547
Accrued salaries and benefits	1,071,247	129,530	1,200,777	149,595
Accrued vacation pay	1,388,542	114,926	1,503,468	248,464
Retainage	2,689,629	79,613	2,769,242	0
Due to other funds	107,714	14,511	122,225	3,707,917
Accrued liability for claims	0	0	0	9,061,335
Note payable	34,825	80,000	114,825	0
Contract payable	0	792,921	792,921	0
Capital lease payable short term	1,091,638	0	1,091,638	690,244
Payables from restricted assets				
Accrued interest payable	2,291,425	203,947	2,495,372	0
General obligation bonds payable	0	210,000	210,000	0
Revenue bonds payable	14,857,477	440,000	15,297,477	0
Customer deposits	3,700	996	4,696	0
Total current liabilities payable from current assets	28,061,256	2,663,752	30,725,008	15,083,102
Long-term liabilities:				
Note payable	0	640,000	640,000	0
Capital lease payable	0	0	0	2,956,233
Contract payable	0	3,566,640	3,566,640	0
Revenue bonds payable, net	157,147,619	4,216,783	161,364,402	0
Total long-term liabilities	157,147,619	8,423,423	165,571,042	2,956,233
Total liabilities	185,208,875	11,087,175	196,296,050	18,039,335
Net Assets:				
Invested in capital assets, net of related debt	288,614,194	34,705,744	323,319,938	4,439,833
Restricted for debt service	17,152,602	1,397,447	18,550,049	0
Restricted for deposits	3,700	0	3,700	0
Unrestricted	111,931,535	42,515,044	154,446,579	13,858,640
Total net assets	417,702,031	78,618,235	496,320,266	18,298,473
Total liabilities and net assets	\$ 602,910,906	\$ 89,705,410	\$ 692,616,316	36,337,808
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund			(1,238,894)	
Net assets of business type activities			495,081,372	

See accompanying notes to the basic financial statements:

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

For the Year Ended June 30, 2005

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water/Sewer Facilities Fund</u>	<u>Other Proprietary Funds</u>	<u>Total</u>	<u>Activities Internal Service Funds</u>
Operating revenues:				
Charges for services	\$ 75,148,777	\$ 7,934,644	\$ 83,083,421	\$ 23,050,342
Other operating revenue	1,451,912	2,383,116	3,835,028	0
Total operating revenue	<u>76,600,689</u>	<u>10,317,760</u>	<u>86,918,449</u>	<u>23,050,342</u>
Operating expenses:				
Personal services	21,845,442	2,631,452	24,476,894	3,005,420
Materials and supplies	4,672,318	181,545	4,853,863	5,562,752
Contractual services	0	0	0	1,729,249
Other services and charges	9,645,383	607,300	10,252,683	3,227,922
Heat, light and power	4,626,103	489,760	5,115,863	62,078
Claims and premiums	0	0	0	10,549,012
Indirect costs	3,200,000	0	3,200,000	0
Depreciation	15,277,631	897,383	16,175,014	893,274
Bad debt expense	823,051	39,349	862,400	0
Total operating expenses	<u>60,089,928</u>	<u>4,846,789</u>	<u>64,936,717</u>	<u>25,029,707</u>
Operating income (loss)	<u>16,510,761</u>	<u>5,470,971</u>	<u>21,981,732</u>	<u>(1,979,365)</u>
Nonoperating revenues (expenses):				
Investment income (loss)	2,063,371	1,305,143	3,368,514	756,836
Other nonoperating revenue	144,142	29,644	173,786	0
Gain (loss) from sale of assets	55,863	2,290	58,153	1,700
Interest expense	(6,869,702)	(577,507)	(7,447,209)	0
Amortization of bond costs	(412,822)	(67,379)	(480,201)	0
Total nonoperating revenues (expenses)	<u>(5,019,148)</u>	<u>692,191</u>	<u>(4,326,957)</u>	<u>758,536</u>
Income before contributions and transfers	<u>11,491,613</u>	<u>6,163,162</u>	<u>17,654,775</u>	<u>(1,220,829)</u>
Transfers in	1,841,665	4,581,189	6,422,854	716,668
Transfers (out)	(9,137,040)	(1,104,813)	(10,241,853)	0
Capital contributions	8,237,095	769,877	9,006,972	0
Change in net assets	<u>12,433,333</u>	<u>10,409,415</u>	<u>22,842,748</u>	<u>(504,161)</u>
Total net assets - beginning net assets	<u>405,354,329</u>	<u>68,208,820</u>		<u>18,802,634</u>
Prior Period Adjustment	<u>(85,631)</u>	<u>0</u>	<u>85,631</u>	<u>0</u>
Total net assets- ending net assets	<u>\$ 417,702,031</u>	<u>\$ 78,618,235</u>		<u>\$ 18,298,473</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund			3,241,616	
Change in net assts of business-type activities			<u>\$ 26,169,995</u>	

See accompanying notes to the basic financial statements

CITY OF COLUMBIA, SOUTH CAROLINA
ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2005

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Water/Sewer Facilities Fund	Total Nonmajor Proprietary Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 78,196,795	\$ 10,068,846	\$ 88,265,641	\$ (2,997,455)
Payments to suppliers	(17,718,530)	(1,320,545)	(19,039,075)	0
Payments to employees	(21,590,130)	(2,639,936)	(24,230,066)	(7,688,040)
Net Cash provided (used) by operating activities	38,888,135	6,108,365	44,996,500	0
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due to (from) others	1,751,441	548,178	2,299,619	716,668
Transfers in	1,841,665	4,581,189	6,422,854	0
Transfers out	(9,737,040)	(1,104,813)	(10,841,853)	0
Net cash provided (used) by noncapital and related financing activities	(6,143,934)	4,024,554	(2,119,380)	716,668
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(38,540,355)	(8,014,694)	(46,555,049)	1,700
Capital contributions	0	769,877	769,877	0
Proceeds from sale of capital assets	0	0	0	0
Proceeds from sale of bonds	64,129,234	0	64,129,234	0
Principle paid on capital lease	(1,043,803)	0	(1,043,803)	0
Principal paid on bonds and notes	(13,897,229)	(1,561,969)	(15,459,198)	0
Interest paid on debt	(6,268,738)	(615,332)	(6,884,070)	0
Net cash provided (used) by capital and related financing activities	4,379,109	(9,422,118)	(5,043,009)	1,700
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(4,065,053)	(4,464,956)	(8,530,009)	0
Proceeds from sale of investments	55,863	3,455,345	3,511,208	0
Principal received on debt	420,153	793,433	1,213,586	0
Interest received	2,174,871	1,302,822	3,477,693	0
Rent received	144,142	29,644	173,786	0
Purchase of inventory for resale	0	(215,168)	(215,168)	0
Net cash provided (used) by investing activities	(1,270,024)	901,120	(368,904)	0
Net increase (decrease) in cash and cash equivalents	35,853,286	1,611,921	37,465,207	718,368
Cash and cash equivalents, July 1 (including \$21,462,882 in Water/Sewer and \$718,906 in Parking restricted cash)	28,673,440	4,070,757	32,744,197	0
Cash and cash equivalents, June 30 (including \$49,597,242 in Water/Sewer and \$718,906 in Parking restricted cash)	\$ 64,526,726	\$ 5,682,678	\$ 70,209,404	\$ 718,368
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income	\$ 16,510,764	\$ 5,470,971	\$ 21,981,735	\$ 0
Adjustment to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	15,277,631	897,383	16,175,014	0
Indirect costs	3,200,000	0	3,200,000	0
Bad debt expense	823,051	39,349	862,400	0
Change in operating assets and liabilities				
Accounts Receivable	1,596,106	(248,914)	1,347,192	618,469
Inventory	0	0	0	13,446
Accounts Payable	1,225,274	(41,940)	1,183,334	(5,481)
Accrued salaries	164,105	19,448	183,553	(6,868,584)
Accrued vacation	91,204	(27,932)	63,272	0
Accrued liability for claims	0	0	0	0
Total adjustments	22,377,371	637,394	23,014,765	(6,242,150)
Net cash provided (used) by operating activities	\$ 38,888,135	\$ 6,108,365	\$ 44,996,500	\$ (6,242,150)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Decrease in fair value of investments	227,096	29,254	256,350	0
Contribution of capital assets from developers	8,226,497	0	8,226,497	0
Amortization of bond cost	412,822	62,374	475,196	0

See accompanying notes to the basic financial statements

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

June 30, 2005

	<u>AGENCY</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ <u>88,810</u>
Total assets	\$ <u><u>88,810</u></u>
 <u>LIABILITIES AND NET ASSETS</u>	
Liabilities:	
Accounts payable	\$ <u>88,810</u>
Total liabilities	<u>88,810</u>
Net Assets	<u>0</u>
Total equity	<u>0</u>
Total liabilities and net assets	\$ <u><u>88,810</u></u>

See accompanying notes to the basic financial statements

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

June 30, 2005

	Columbia Action Council	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Regional Convention Center Authority	Public Facilities Corporation	South Columbia Development Corporation	TN Development Corporation	Total
ASSETS									
Current assets:									
Cash and cash equivalents	\$ 13,646	\$ 74,585	\$ 302,377	\$ 53,212	\$ 8,178,530	\$ 2,628,158	\$ 0	\$ 438,896	\$ 11,689,404
Certificates of deposit	100,000	100,000	100,000	100,000	0	0	100,000	100,000	600,000
Investments	0	235,080	0	0	857,256	17,167,228	0	0	18,259,564
Accounts receivable	0	0	4,469	15,943	251,146	229,283	0	7,215	508,056
Accrued interest receivable	0	1,638	0	4,110	5,991	92,569	809	0	105,117
Mortgage notes receivable, current portion	0	80,349	90,943	0	27,083	0	4,414	0	202,789
Inventory	0	0	0	0	1,643	0	0	0	1,643
Prepaid expenses	7,513	1,123	6,973	0	54,866	0	0	28,562	99,037
Due from primary government	0	0	21,965	0	0	0	6,537	0	28,502
Real estate held for sale and development	0	1,062,485	1,552,876	2,035,010	0	0	0	0	4,650,371
Total current assets	121,159	1,555,260	2,079,603	2,208,275	9,376,515	20,117,238	111,760	574,673	36,144,483
Capital assets:									
Land	0	0	4,000	637,323	0	0	115,493	688,731	1,445,547
Construction in process	0	0	0	0	0	3,410,620	0	0	3,410,620
Other capital assets, net of accumulated depreciation	605	10,291	22,704	1,951,864	66,260	35,395,216	162,214	6,062,342	43,671,496
Net capital assets	605	10,291	26,704	2,589,187	66,260	38,805,836	277,707	6,751,073	48,527,663
Other assets:									
Unamortized bond issue costs	0	0	0	0	0	1,430,912	0	0	1,430,912
Mortgage note receivable, net of allowance	0	0	726,096	0	31,250	0	31,881	0	789,227
Investment in partnerships	0	613,092	0	0	0	0	0	0	613,092
Other	0	0	0	0	0	0	0	16,205	16,205
Total other assets	0	613,092	726,096	0	31,250	1,430,912	31,881	16,205	2,849,436
Total assets	\$ 121,764	\$ 2,178,643	\$ 2,832,403	\$ 4,797,462	\$ 9,474,025	\$ 60,353,986	\$ 421,348	\$ 7,341,951	\$ 87,521,582

(Continued)

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

June 30, 2005

	Columbia Action Council	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Regional Convention Center Authority	Public Facilities Corporation	South Columbia Development Corporation	TN Development Corporation	Total
LIABILITIES									
Current liabilities:									
Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,425	\$ 0	\$ 6,425
Accounts payable and accrued expenses	11,444	34,873	40,191	35,645	165,212	770,491	19,283	511,464	1,588,603
Due to primary government	100,170	100,313	110,929	409,999	0	0	100,308	115,978	937,697
Mortgage/bonds/notes payable - current portion	0	0	841,017	3,169,688	0	1,825,000	0	66,346	5,902,051
Deferred revenue	0	0	0	480	79,613	0	850	2,916	83,859
Total current liabilities	111,614	135,186	992,137	3,615,812	244,825	2,595,491	126,866	696,704	8,518,635
Other liabilities:									
Mortgage/bonds payable	0	0	0	0	0	53,849,488	66,000	4,662,100	58,577,588
Total other liabilities	0	0	0	0	0	53,849,488	66,000	4,662,100	58,577,588
Total liabilities	111,614	135,186	992,137	3,615,812	244,825	56,444,979	192,866	5,358,804	67,096,223
NET ASSETS									
Invested in capital assets, net of related debt	605	10,291	26,704	189,477	29,040	3,410,620	277,707	1,710,312	5,654,756
Restricted for debt service	0	0	0	0	0	498,387	0	0	498,387
Unrestricted	9,545	2,033,166	1,813,562	992,173	9,200,160	0	(49,225)	272,835	14,272,216
Total net assets	10,150	2,043,457	1,840,266	1,181,650	9,229,200	3,909,007	228,482	1,983,147	20,425,359
Total liabilities and net assets	\$ 121,764	\$ 2,178,643	\$ 2,832,403	\$ 4,797,462	\$ 9,474,025	\$ 60,353,986	\$ 421,348	\$ 7,341,951	\$ 87,521,582
<i>See accompanying notes to financial statements.</i>									

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

For the Year Ended June 30, 2005

	Program Revenue				Net (Expense) Revenues and Changes in Net Assets								Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Columbia Action Council	Columbia Development Corporation	Columbia Housing Development Corporation	Eau Claire Development Corporation	Midlands Regional Convention Center Authority	Public Facilities Corporation	South Columbia Development Corporation	TN Development Corporation	
Columbia Action Council Parks and recreation	\$ 329,356	\$ 92,468	\$ 191,000	\$ 0	\$ (45,888)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (45,888)
Columbia Development Corporation Community development	696,050	20,445	340,035	0	0	(335,570)	0	0	0	0	0	0	(335,570)
Columbia Housing Development Corporation Community development	336,184	34,714	323,364	37,811	0	0	59,705	0	0	0	0	0	59,705
Eau Claire Development Corporation Community development	333,296	111,684	142,001	550,374	0	0	0	470,763	0	0	0	0	470,763
Midlands Regional Convention Center Authority Community promotions	4,349,640	2,871,633	0	0	0	0	0	0	(1,478,007)	0	0	0	(1,478,007)
Public Facilities Corporation General government	3,871,535	1,767,606	2,373,220	0	0	0	0	0	0	269,291	0	0	269,291
South Columbia Development Corporation Community development	527,845	1,700	291,951	0	0	0	0	0	0	0	(234,194)	0	(234,194)
TN Development Corporation Community development	813,382	468,033	392,484	0	0	0	0	0	0	0	0	47,135	47,135
Total component units	11,257,288	5,368,283	4,054,055	588,185	(45,888)	(335,570)	59,705	470,763	(1,478,007)	269,291	(234,194)	47,135	(1,246,765)
General revenues:													
Transfers (to) from Component Units					0	0	(6,072)	0	(16,280)	16,280	0	6,072	0
Investment earnings					0	4,424	3,251	214	189,109	386,338	4,645	8,832	596,813
Total general revenues					0	4,424	(2,821)	214	172,829	402,618	4,645	14,904	596,813
Change in net assets					(45,888)	(331,146)	56,884	470,977	(1,305,178)	671,909	(229,549)	62,039	(649,952)
Beginning net assets					56,038	1,749,603	1,783,382	710,673	10,534,378	3,237,098	458,031	1,921,108	20,450,311
Prior period adjustment					0	625,000	0	0	0	0	0	0	625,000
Beginning net assets, as restated					56,038	2,374,603	1,783,382	710,673	10,534,378	3,237,098	458,031	1,921,108	21,075,311
Ending net assets					\$ 10,150	\$ 2,043,457	\$ 1,840,266	\$ 1,181,650	\$ 9,229,200	\$ 3,909,007	\$ 228,482	\$ 1,983,147	\$ 20,425,359

See accompanying notes to financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2005

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Notes to Financial Statements
Year Ended June 30, 2004
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CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Columbia, a political subdivision of the State of South Carolina incorporated in 1854, is located in the central part of South Carolina. Columbia is the state capital as well as the county seat of Richland County. The City has a population of 117,394 living within an area of 131.5 square miles. The Greater Columbia Metropolitan Area consists of Lexington and Richland Counties and has an estimated population of 565,666. 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 accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Government Accounting Standards Boards (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

Using the criteria of GASB Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 39 "Determining Whether Certain Organizations Are Component Units," 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. Blended component units are legally separate entities that are, substantially, part of the government's operations and data from such units is combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. The City does not have any blended component units. Its discretely presented component units have the same fiscal year end as the City.

Discretely Presented Component Units

- ***Columbia Action Council (CAC)***
The CAC, incorporated in 1979, provides support to the community through the sponsorship and promotion of community programs and festivals. The Board of Directors has fifteen members of which eight members are appointed by City Council, including the City Manager. Partial funding is supplied by the City.
- ***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 rentals, contributions, appropriations from the City, and U.S. Department of Housing and Urban Development (HUD) Grants that are passed through the Community Development Special Revenue Fund.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (CONTINUED)

- ***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 members Board of Directors is composed of three members of City Council, the Mayor, the City Manager, and seven members that are appointed by City Council. In an ex-officio capacity, city staff serves as the Secretary/Treasurer and the Executive Director. Funding for the CHDC is derived from sale of properties, interest income, mortgages receivable, and the U.S. Department of Housing and Urban Development (HUD) Grants passed through the Community Development Special Revenue Fund.
- ***Eau Claire Development Corporation (ECDC)***
Incorporated in 1993, the ECDC provides assistance in the conservation and redevelopment of neighborhoods located in North Columbia. The nine member Board of Directors is composed of three Council members and six members appointed by City Council. Current funding is derived from the U.S. Department of Housing and Urban Development (HUD) grants passed through the Community Development Special Revenue Fund and the City of Columbia.
- ***Midlands Regional Convention Center Authority (MRCCA)***
The MRCCA, incorporated 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.
- ***Public Facilities Corporation (PFC)***
The Corporation 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 multi purpose conference/convention center.
- ***South Columbia Development Corporation (SCDC)***
The SCDC, incorporated in 1994, was formed to strengthen the livability, improve the tax base, and enhance the quality of housing in the South Columbia area. The ten member Board of Directors is composed of three Council members and seven members appointed by City Council. Funding sources for SCDC are the City of Columbia and the U.S. Department of Housing and Urban Development (HUD) grants passed through the Community Development Special Revenue Funds.
- ***TN Development Corporation (TNDC)***
Incorporated in 1993, as an eleemosynary organization, the TNDC was organized to promote growth and develop opportunities for affordable rental housing. The ten member Board of Directors is composed of three members from Council and seven members appointed by City Council. Funding for the TNDC is derived from rental income, the State of South Carolina Housing Trust Fund, the Federal Home Loan Bank, HOME Program funds passed through the Columbia Housing Development Organization (CHDO), and the U.S. Department of Housing and Urban Development (HUD) grants passed through the Community Development Special Revenue Fund.

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

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION

GOVERNMENT WIDE FINANCIAL STATEMENTS

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. The City's internal funds do not provide outside uses or grant use. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

FUND FINANCIAL STATEMENTS

The City uses funds to report financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Funds are classified into three categories: Governmental, Proprietary and Fiduciary as follows:

Governmental Fund Types:

General Fund

The General Fund is the principal operating fund of the City that accounts for all financial resources not accounted for in other funds.

Special Revenue Funds

These funds are used to account for revenues derived from specific taxes, governmental grants and other revenue sources that are designated to finance particular functions or activities of the City. Special Revenue Funds include:

- Accommodation Tax -- accounts for State Hotel Accommodations Tax receipts to promote activities of City organizations.
- Tourism Development -- accounts for the Tourism Development Fee imposed upon the rental of hotels, motels, and other lodging establishments in the City. This fee is dedicated to the attraction of and improving the services provided to tourists.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (CONTINUED)

FUND FINANCIAL STATEMENTS (CONTINUED)

- Business Improvement District -- accounts for the Business Improvement District taxes assessed on the businesses in the downtown area of the City to promote downtown beautification.
- Hospitality tax -- accounts for a local 2% gross sales tax on prepared food and beverages sold in establishments.
- Confiscated Drug Program -- accounts for the disposition of forfeited property and money seized in Columbia by law enforcement agencies.
- Land Acquisition -- accounts for future land acquisition and development.
- County Services -- accounts for the collection of Richland County Business Licenses and for fire services provided to citizens outside the City limits and the reimbursement for expenditures from Richland County.
- Other Programs -- provides for miscellaneous programs for park improvements and special events.
- Community Development Grants and Awards -- accounts for the Community Development Block Grants.
- Justice Department Grants -- accounts for receipt of Federal and State funds for programs to improve public safety and law enforcement to the community.
- Other Grants -- accounts for the receipt of Federal and State funds used for various signal grants, and highway safety grants, various tree-planting projects, and various public services and planning projects.

Debt Service Fund

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

Capital Projects Funds

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

- Tax Increment District -- accounts for the construction and development of parks and infrastructure, within the Congaree Vista Redevelopment District, and is funded by tax increment district property tax revenues.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (CONTINUED)

FUND FINANCIAL STATEMENTS (CONTINUED)

- Streetscaping -- accounts for capital improvements to street landscaping.
- Storm Drains -- accounts for infrastructure improvements.
- General Obligation Bonds 2002 – accounts for funds designated from the General Obligation Bonds Series 2002.
- Convention Center Infrastructure -- accounts for the development of the infrastructure for a new convention center.
- General Capital Projects-- accounts for various capital projects funded by various funds.
- Miscellaneous Projects -- accounts for various capital projects funded by the General Fund.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs. This fund includes:

- Anna Dickson Park Fund -- accounts for trust funds specifically intended for the income to be used for beautification of the parks. The total expendable amount for this endowment is \$723 and is shown as an expendable trust on the government-wide and the fund financial statements. The funds are invested in an interest bearing account. The amount invested equals the fair value.

Proprietary Fund Types:

Enterprise Funds

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

- Water/Sewer Facilities Fund -- accounts for water and sewer utility activities.
- Hydro-Electric Plant --accounts for hydro electric plant activities.
- Storm Water Fund -- accounts for storm water utility activities
- Parking Facilities Fund -- accounts for parking garage and parking ticket activities.
- Transportation Operating Fund -- accounts for the operation of the Bus Transfer Station.
- Redevelopment Programs Fund -- accounts for various home rehabilitation and mortgage lending programs funded from various sources.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (CONTINUED)

FUND FINANCIAL STATEMENTS (CONTINUED)

Internal Service Funds

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

- Fleet Management -- accounts for the maintenance and repair of movable vehicles.
- Support Services -- accounts for a decentralized governmental and 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.

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. The City's fiduciary fund types are comprised of:

Agency Funds

These funds are used to account for assets held by the City as an agent and do not involve measurement of results of operations.

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 the collection of Richland County Business Licenses and for fire services provided to citizens outside the City limits and the reimbursement for expenditures from Richland County.

The government reports the following major proprietary fund:

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

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Additionally, the effect of interfund activity has been eliminated from the Government-Wide financial statements, except for amounts due between the County's governmental activities and business-type activities.

The Governmental Fund Financial Statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets, and the unreserved fund balance is a measure of available spendable resources.

All Governmental Fund Types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the transaction can be identified, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are considered available if they are collected within sixty days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. The City considers all revenues available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Fund for payments to be made early in the following year. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the occurrence of the qualifying expenditures. When the revenue recognition criteria are met and the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet, and revenue is recognized.

Proprietary Fund Financial Statements are accounted for on a flow of economic resources measurement focus. The accrual basis of accounting is utilized by Proprietary Fund types. Under this method, revenues are recognized when earned, and expenses are recorded at the time liabilities are incurred.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

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

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and reported amounts of revenues and expenses during the reporting period.

Estimates are used to determine depreciation expense, the allowance for doubtful accounts and certain claims and judgment liabilities, among other accounts. Actual results could differ from those estimates.

D. ASSETS AND LIABILITIES

- Deposits

City procedures require that all 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 an equity in the pooled amount.

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.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS AND LIABILITIES (CONTINUED)

- 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 and repurchase agreements secured by these obligations.

- Inventory and Prepaid Assets

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

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

- Real Estate

Real estate held for resale and real estate under development in the Proprietary Funds are recorded at the lower of cost or net realizable value.

- Mortgage Notes and Notes Receivable and Allowance for Loan Losses

Mortgage notes receivable, secured by the property, and other notes receivable are recorded in various Enterprise Funds and Component Units and are stated at unpaid principal balances net of an allowance for loan losses. An allowance for loan losses is increased by charges-offs, net of recoveries. Management's periodic evaluation of the adequacy of the allowance is based on past loan loss experiences, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay the loan, estimated value of any underlying collateral, and current economic conditions.

- Accounts Receivable and Allowance for Bad Debt

Accounts receivable are recorded in various funds and are stated net of their allowance for uncollectible accounts.

All balances between funds that are outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

- Bond Discount and Issuance Costs

Bond discount and issuance costs are deferred and amortized using the straight-line method over the life of the applicable bonds, providing no material differences exist between the straight-line method and the interest method.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS AND LIABILITIES (CONTINUED)

- **Restricted Assets**
Restricted accounts in the Proprietary Fund Types are established to account for assets restricted for specific purposes. Certain bond indentures of trust agreements require the establishment of (1) maximum annual principal and interest payments, unless a surety bond was provided, or (2) the next succeeding principal and accrued interest payment.
- **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.

GASB Number 34 required the City to report new infrastructure assets effective June 30, 2002. Infrastructure assets include roads, bridges, underground pipe, (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2006.

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, is depreciated using the straight-line method over the estimated useful lives is as follows:

Improvements	10-50 years
Buildings	15-50 years
Equipment	3-15 years

In lieu of annual depreciation, the City has elected to use the “modifies approach” for its infrastructure assets, which consists of reporting as Required Supplemental Information (RSI) (i) the current assessed condition of the assets pursuant to it’s “Pavement Management System” and (ii) the estimated annual amount to maintain and preserve such assets along with actual amounts expensed during the period.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS AND LIABILITIES (CONTINUED)

- Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

E. REVENUES, EXPENDITURES AND EXPENSES

- Property Tax Revenues

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

That portion of General Fund property taxes allocated for payment of debt services is transferred to the Debt Service Fund. All Special District, Tax Increment property taxes are recorded as revenue in the Debt Service Fund and any excess revenues over debt service requirements are remitted as principle outstanding on the balance of the debt.

- Investment Income

The City has a policy of allocating interest income on pooled cash and investments to appropriate funds on a monthly basis. The allocation is based on a percentage of the fund's average daily equity in pooled cash and investments to the total average daily-pooled equity in pooled cash and investments. The interest income on pooled cash and investments applicable to the General Fund is reported within the caption "Revenues from use of money and property".

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. REVENUES, EXPENDITURES AND EXPENSES (CONTINUED)

- **Grant Revenue**
Revenues from Federal and State grants are recognized when expenditures are made.

- **Compensated Absences**
It is the City's policy to allow employees to accumulate unused vacation and sick leave benefits up to certain maximum hours. If an employee has completed the probationary period, accumulated unused vacation and 20% of unused sick leave are payable upon termination of employment with the City. An employee with service of less than ten years may receive up to a maximum of two weeks of vacation. An employee with service of ten to twenty years may receive up to a maximum of four weeks, and service of over twenty years may receive a maximum of five weeks.

In fund financial statements, governmental fund expenditures for compensated absences are recorded when payments are made against future available financial resources and the City does not currently provide for or budget such funding for future years. In government-wide financial statements, governmental fund types and proprietary fund types, the entire unpaid liability, determined at current fiscal year-end salary costs, is expensed in current operations as incurred.

- **Operating and Nonoperating Revenues and Expenses**
Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expense generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water/sewer facilities fund, the parking facilities fund and the transportation operations fund are charges to customers for sales and services. Operating expenses for enterprise 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 Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

Proprietary Funds – By Operating and Nonoperating

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

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. REVENUES, EXPENDITURES AND EXPENSES (CONTINUED)

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

F. FUND BALANCE

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The following is a schedule of the designations:

Unreserved fund balance	\$	35,947,754
Designated for:		
Accommodations Tax		329,691
Tourism Development		479,529
Business Improvement District		109,344
Hospitality Tax		4,967,769
Confiscated Drug Program		168,297
Land Acquisition		1,655,420
Other programs		442,654
Capital projects		12,599,006
Subsequent year appropriation		3,000,000
Loans		400,000
Funds carried forward		1,411,704
Allocated by City Council		2,300,000
Total Unreserved/Undesignated Fund Balance	\$	8,084,340

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETS AND BUDGETARY ACCOUNTING

A legal operating budget is prepared annually for the General Fund on a GAAP basis. Informal budgetary controls are maintained for other fund types, and therefore, budgetary comparisons to actual amounts are not presented.

The approved budget and amendments are legally enacted through passage of an ordinance authorizing the City Manager to administer the budget and to transfer necessary appropriations among funds. Additional budget appropriations must be approved by Council, and at the fund level expenditures may not legally exceed budgeted appropriations.

All budget amounts presented in the accompanying financial statements and supplementary information have been adjusted for legally authorized revisions of the annual budget during the year. Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at year-end.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

SCHEDULE OF CHANGES IN APPROPRIATED BUDGET
FOR YEAR ENDED JUNE 30, 2005

	Original Adopted Budget	Prior Year Carry Forward	Final Budget Amendments	Revised Budget
General Fund	\$ 80,898,288	\$ 2,576,607	\$ 260,092	\$ 83,734,987

B. ENCUMBRANCES

Encumbrance accounting represents commitments related to unperformed contracts for goods and services. These contracts record expenditures as reserves to the applicable appropriation in each fund. At year-end, encumbrances are carried forward and related appropriations are considered to be budget amendments. Certain of the encumbrances will be paid by subsequent receipt of entitlements. Encumbrances at June 30, 2005, for Governmental Funds are as follows:

General Fund	\$ 1,247,466
Non major Governmental Funds	13,783,747
Total	\$ 15,031,213

C. DEFICIT FUND EQUITY

The Admissions Tax special revenue fund had a deficit fund balance of \$796,836 at June 30, 2005. The fund purchased equipment that will be funded as Admission Tax revenue is received. Hotel Development fund and the Parks Renovation fund, which are capital projects funds, had deficit fund balances of \$1,906,154 and \$90,587 respectively. Transfers in subsequent years will fund these deficits.

D. RISK MANAGEMENT

The City is partially insured for medical and dental coverage. Health claims are handled by an administrator and the stop-loss provision is adjusted annually. The accrued liability for prior year claims represents estimates for medical and dental claims incurred as of June 30, 2005. Some of these claims were reported June 30, 2005, 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 \$350,000. 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.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. RISK MANAGEMENT (CONTINUED)

The Risk Management Fund establishes claim liabilities 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 coverages such as general liability. Adjustments to claims liabilities are charged or credited to expense in the period in which they are made.

Changes in the aggregate liability were as follows:

Fiscal Year	Beginning Liability	Current Year Claims and Changes in Estimates	Claims Payments	Ending Liability
2000	6,647,753	8,225,987	(8,396,452)	6,477,288
2001	6,477,288	9,532,803	(9,198,983)	6,811,108
2002	6,811,108	10,066,475	(11,641,002)	5,236,581
2003	5,236,581	14,028,269	(12,344,944)	6,919,906
2004	6,919,906	24,459,308	(15,449,295)	15,929,919
2005	15,929,919	18,002,543	(24,871,127)	9,061,335

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

III. DETAIL NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

As of June 30, 2005, the city had the following investments:

Investments Type	Fair Value	<u>Investment Maturities (in Years)</u>		
		Less Than 1	1-3	4-7
Money market	\$ 17,167,228	17,167,228		
U.S. Treasuries	43,974,224	4,005,265	33,892,301	6,076,658
U.S. Agencies	63,017,032	21,045,726	31,137,061	10,834,245
Total	\$ 124,158,484	42,218,219	65,029,362	16,910,903

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

A. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk

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

Credit Risk

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

Obligations of the United States and agencies thereof

General obligations of the State of South Carolina or any of its political subdivisions

Certificates of deposit where the certificates are collaterally insured by securities described above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest

Repurchase agreements when collateralized by securities set forth above

At June 30, 2005 the City owned only obligations of the United States and its agencies and collateralized certificates of deposit.

Concentration of Credit Risk

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

Custodial Credit Risk - Deposits

The City's cash deposit policy requires that United States Treasury securities of a fair value equal to the bank deposits be held by a third party custodian in the City's name. However, at June 30, 2005 the City was not in full compliance with its collateral policy. At June 30, 2005, \$237,900 of the government's two certificates of deposit totaling \$3.9 million was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk - Investments

Similarly the City uses an independent investment custodian who takes direction from the outside portfolio managers and independently settles all trades with the securities being held by the custodian on behalf of and in the name of the City.

B. SECURITIES LENDING

Under the provisions of State statutes, the City lends certain U.S. Government Obligations or agency securities to broker-dealers and other entities for collateral that will be returned for the same securities in the future. The City's custodial bank manages the securities lending program. During the year, the cash collateral received was invested in a Short Term Investment Fund (STIF) Money Market Fund. Collateral is pledged to the City at 102 percent of the market value of the securities lent. At year-end, the City had no open securities lending positions.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

C. RECEIVABLES

Receivables for the primary government, as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

Governmental activities	General	County Service	Non Major Total	Total
Property taxes	\$ 2,179,443	\$ 0	\$ 53,564	\$ 2,233,007
Federal government	0	0	3,091,547	3,091,547
State government	788,765	0	639,905	1,428,670
Accounts	608,775	0	0	608,775
Notes receivable	1,700,000	0	0	1,700,000
Other	622	1,029,243	4,982,132	6,011,997
Gross receivables	<u>5,277,605</u>	<u>1,029,243</u>	<u>8,765,633</u>	<u>15,072,481</u>
Less: allowance				
For uncollectables	<u>(1,985,305)</u>	<u>0</u>	<u>0</u>	<u>(1,985,305)</u>
Net total receivables	<u>\$ 3,292,300</u>	<u>\$ 1,029,243</u>	<u>\$ 8,767,148</u>	<u>\$ 13,088,691</u>

Business-type activities	Water/ Sewer Facilities	Non Major Total	Total
Accounts	\$ 6,479,408	\$ 2,002,188	\$ 8,481,596
Contracts	0	2,736,055	2,736,055
Notes receivable	914,412	0	914,412
Mortgage notes	<u>180,000</u>	<u>22,352,109</u>	<u>22,532,109</u>
Gross receivables	7,573,820	27,090,352	34,664,172
Less: allowance			
For uncollectables	<u>(625,000)</u>	<u>(1,584,367)</u>	<u>(2,209,367)</u>
Net total receivables	<u>\$ 6,948,820</u>	<u>\$ 25,505,985</u>	<u>\$ 32,454,805</u>

Contractual rights and related obligations:

During the prior year the City acquired the contractual right to receive approximately \$1,000,000 per year for seven years in monthly installments. At the same time, the City contracted to pay \$1,000,000 per year annually for seven years to an unrelated governmental entity. No interest was specified in either contract. This receivable and related payable have been discounted at 4.75% (prime rate at the date of the transaction) and recorded at present value.

Receivables for the Component Units consist of other items totaling \$1,500,072 at June 30, 2005.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

D. MORTGAGE NOTES RECEIVABLE AND REVOLVING LOAN POOLS

The various mortgage programs involve the Community Development loan programs. 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.

Mortgage notes receivable in the various Community Development Revolving Loan programs are evaluated annually and loan loss allowances are applied where appropriate. All mortgages are secured by the property and any delinquent mortgages receivable are immaterial as of June 30, 2005.

The Columbia Housing Development Corporation (CHDC) has mortgage notes receivable consisting of \$693,441. Mortgage notes receivable consist of loans to individuals under various federal housing lending programs have various interest rates and maturity dates. These note receivables are reported net of an allowance for uncollectable loans of \$86,958 and deferred gains of \$120,137.

The Columbia Housing Development Corporation is considered a real estate development corporation and revenue recognition is applied under the cost recovery method.

E. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The interfund receivables and payables at June 30, 2005 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Funds:		
General	\$ <u>1,436,355</u>	\$ <u>999</u>
County Service	<u>0</u>	<u>615,141</u>
Non major governmental funds	<u>4,806,798</u>	<u>5,627,013</u>
Total	\$ <u><u>6,243,153</u></u>	\$ <u><u>6,243,153</u></u>

The outstanding balance between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

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

The interfund transfers at June 30, 2005 are as follows:

	Transfers <u>Out</u>	Transfers <u>In</u>
Funds:		
General	\$ 4,994,550	\$ 5,610,000
Non major governmental funds	8,804,654	11,688,703
Water/Sewer	8,817,540	5,058,622
Non major proprietary fund	<u>1,104,813</u>	<u>1,364,232</u>
Total	\$ <u>23,721,557</u>	\$ <u>23,721,557</u>

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

F. OPERATING LEASES

The City is committed under various operating leases for office and copier equipment. Operating lease expenditures for the year ended June 30, 2005, were \$195,968. Future minimum lease payments for these leases are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2006	157,370
2007	175,431
2008	67,278
2009	<u>37,000</u>
Total	\$ <u>437,079</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

G. CAPITAL LEASE

A capital lease is an agreement, which specifies a transfer of benefits and risk of ownership to the lessee. The City has entered into an agreement to lease equipment under this criterion. The funds are being utilized to upgrade the City's telecommunication connection equipment, update computer equipment, and computer software. As of June 30, 2005, the purchase of this equipment has been partially completed. The gross value of the assets acquired to date is \$3,877,920. The lease has been recorded at the present value of the future minimum lease payments as of the date of their inception. The capital lease outstanding as of June 30, 2005, is as follows:

	Maturity Date	Interest Rate	Total Balance Outstanding
<u>Enterprise Fund:</u>			
Computers and related software	2006	4.52%	\$ 1,091,638
<u>Internal Service Fund:</u>			
Parking meters/fire trucks	2010	2.75%	\$ <u>3,646,477</u>
			<u>4,738,115</u>

Minimum lease payments at June 30, 2005 are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2006	1,932,261
2007	790,596
2008	790,596
2009	790,595
2010	790,595
Total	<u>5,094,642</u>
Less: amount representing interest	<u>356,527</u>
Present value of future minimum lease payments	\$ <u>4,738,115</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

H. CAPITAL ASSETS

Capital assets for the year ended June 30, 2005, are as follows:

	Balance			Balance
	June 30, 2004			June 30, 2005
	Increases	Decreases		
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 39,245,971	\$ 386,912	\$ (356,000)	\$ 39,276,883
Construction in progress	9,334,975	42,315,740	(9,696,238)	41,954,477
Infrastructure	2,180,880	1,559,560	0	3,740,440
Total capital assets, not being depreciated:	50,761,826	44,262,212	(10,052,238)	84,971,800
Capital assets, being depreciated:				
Buildings and Improvements	72,158,339	9,696,238	0	81,854,577
Machinery and Equipment	35,915,605	1,961,091	(242,081)	37,634,615
Total capital assets, being depreciated:	108,073,944	11,657,329	(242,081)	119,489,192
Less accumulated depreciation:				
Buildings and Improvements	(16,938,062)	(2,841,791)	0	(19,779,853)
Machinery and Equipment	(24,873,072)	(2,103,123)	225,255	(26,750,940)
Total accumulated depreciation	(41,811,134)	(4,944,914)	225,255	(46,530,793)
Total capital assets, being depreciated, net	66,262,810	6,712,415	(16,826)	72,958,399
Governmental activities capital assets, net	\$ 117,024,636	\$ 50,974,627	\$ (10,069,064)	\$ 157,930,199
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 9,641,445	\$ 4,034,920	\$ 0	\$ 13,676,365
Construction in progress	62,066,655	41,299,479	(19,805,317)	83,560,817
Total capital assets, not being depreciated:	71,708,100	45,334,399	(19,805,317)	97,237,182
Capital assets, being depreciated:				
Buildings and Improvements	583,975,098	19,805,317	0	603,780,415
Machinery and Equipment	19,574,517	1,018,381	(6,846)	20,586,052
Total capital assets, being depreciated:	603,549,615	20,823,698	(6,846)	624,366,467
Less accumulated depreciation:				
Buildings and Improvements	(193,077,469)	(14,586,567)	0	(207,664,036)
Machinery and Equipment	(11,039,732)	(1,588,447)	6,846	(12,621,333)
Total accumulated depreciation	(204,117,201)	(16,175,014)	6,846	(220,285,369)
Total capital assets, being depreciated, net	399,432,414	4,648,684	0	404,081,098
Business-type activities capital assets, net	\$ 471,140,514	\$ 49,983,083	\$ (19,805,317)	\$ 501,318,280

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

H. CAPITAL ASSETS (CONTINUED)

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

Governmental activities	
General government	\$ 2,180,180
Judicial	16,761
Public safety	607,378
Community development	28,953
Parks and recreation	299,897
Public services	651,384
General services	258,396
Non departmental	8,692
Internal service	<u>893,273</u>
Total depreciation expense – governmental activities	<u>\$ 4,944,914</u>
Business-type activities	
Water/Sewer facilities	\$ 15,277,631
Storm Water facilities	105,174
Parking facilities	437,379
Transportation operations	31,363
Hydro electric plant	<u>323,467</u>
Total depreciation expense – business-type activities	<u>\$ 16,175,014</u>

I. 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 administrator has amended the Section 457 plan to comply with Internal Revenue changes. 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.

J. POST-EMPLOYMENT BENEFITS

The City provides post-employment health care benefits, in accordance with City policy, to all employees who retire from the City under early or regular retirement and have been employed by the City for twenty years or more. Currently, 513 retirees meet those requirements. The City pays all premiums for all qualifying retirees. For the year ended June 30, 2005 premiums totaled \$980,485. Retirees paid dependent coverage of \$389,001. Currently, the City is financing the post-employment retirement benefits on a pay-as-you-go basis and expenditures for these insurance premiums are recorded in the General and Water/Sewer Funds.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

J. POST-EMPLOYMENT BENEFITS (CONTINUED)

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

	Year Ended June 30, 2005				
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Participants:					
Active	1,999	2,007	1,927	1,866	1,845
Retired	512	503	487	480	480
Total Employer Claims					
Active	\$8,430,837	\$7,265,549	\$5,714,607	\$4,144,555	\$4,394,986
Retired	3,400,508	3,168,890	2,516,346	2,763,036	2,066,888
% of Active Payroll:					
Active	10.91%	9.71%	8.21%	6.48%	7.33%
Retired	<u>4.40%</u>	<u>4.24%</u>	<u>3.61%</u>	<u>4.32%</u>	<u>3.45%</u>
Total	<u>15.31%</u>	<u>13.95%</u>	<u>11.82%</u>	<u>10.80%</u>	<u>10.78%</u>

K. LONG-TERM DEBT

	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005	Amount Due In 2006
<u>Governmental activities:</u>					
General obligation bonds	\$ 21,380,000	\$ 0	\$ (1,270,000)	\$ 20,110,000	\$ 1,280,000
Tax increment bonds	23,047,610	0	(3,736,218)	19,311,392	2,483,414
Capital lease	4,300,000	0	(653,523)	3,646,477	690,244
Compensated absences	<u>5,212,583</u>	<u>5,149,073</u>	<u>(5,212,583)</u>	<u>5,149,073</u>	<u>5,149,073</u>
Total Governmental Activities	<u>53,940,193</u>	<u>5,149,073</u>	<u>(10,872,324)</u>	<u>48,216,942</u>	<u>9,602,731</u>
<u>Business-type activities:</u>					
Notes payable	1,032,585	0	(277,761)	754,824	114,825
General obligation bonds	423,315	0	(213,315)	210,000	210,000
Revenue bonds, net	126,669,193	64,129,234	(14,136,548)	176,661,879	15,297,477
Capital lease	<u>2,135,441</u>	<u>0</u>	<u>(1,043,803)</u>	<u>1,091,638</u>	<u>1,091,638</u>
Total Business-type Activities	<u>130,260,534</u>	<u>64,129,234</u>	<u>(15,671,427)</u>	<u>178,718,341</u>	<u>16,713,940</u>
Total All Long-Term Debt	<u>\$ 184,200,727</u>	<u>\$ 69,278,307</u>	<u>\$ (26,543,751)</u>	<u>\$ 226,935,283</u>	<u>\$ 26,316,671</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 \$248,463 of internal service funds compensated absences are 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 (Continued)
Year Ended June 30, 2005

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

K. LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize all outstanding debt of the City as of June 30, 2005, including interest payments of \$103,566,567, but excluding accrued vacation payable, are as follows:

Year End	General Obligation Bonds	Interest	Revenue Bonds	Interest	Tax Increment Bonds	Interest
2006	1,490,000	877,558	15,298,084	5,825,196	2,483,414	799,849
2007	1,400,000	810,798	9,755,075	8,137,512	2,785,957	673,181
2008	1,410,000	757,258	10,409,007	7,641,371	3,103,691	538,297
2009	1,520,000	701,008	10,984,007	7,074,295	3,442,142	386,696
2010	1,530,000	639,257	11,574,007	6,489,540	295,828	298,460
2011-2015	5,755,000	2,237,675	38,315,033	24,072,674	7,200,360	346,491
2016-2020	4,895,000	1,214,752	24,009,314	17,376,750	0	0
2021-2025	2,320,000	162,338	25,909,555	11,306,000	0	0
2026-2030	0	0	30,407,797	4,566,250	0	0
Totals	\$ <u>20,320,000</u>	\$ <u>7,400,644</u>	\$ <u>176,661,879</u>	\$ <u>92,489,588</u>	\$ <u>19,311,392</u>	\$ <u>3,042,974</u>

Year End	Capital Lease	Interest	Note Payable	Interest	Total Principal	Total Interest
2006	1,781,883	150,378	114,824	49,331	21,168,205	7,702,312
2007	709,240	81,356	80,000	43,980	14,730,272	9,746,828
2008	728,758	61,837	80,000	38,570	15,731,456	9,037,333
2009	748,813	41,782	60,000	33,678	16,754,962	8,237,459
2010	769,421	21,174	60,000	29,313	14,229,256	7,477,744
2011-2015	0	0	300,000	77,364	51,570,393	26,734,204
2016-2020	0	0	60,000	4,596	28,964,314	18,596,098
2021-2025	0	0	0	0	28,229,555	11,468,338
2026-2030	0	0	0	0	30,407,797	4,566,250
Totals	\$ <u>4,738,115</u>	\$ <u>356,527</u>	\$ <u>754,826</u>	\$ <u>276,832</u>	\$ <u>221,786,210</u>	\$ <u>103,566,567</u>

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 (Continued)
Year Ended June 30, 2005

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

K. LONG-TERM DEBT (CONTINUED)

General Obligation Bonds

The City has issued General Obligation Bonds to fund building programs of the City and also to refinance debt issued to fund parking facilities. The City has assumed complete liability for the retirement of these obligations. Principal payments on all bonds are due annually and interest is due semi-annually.

The South Carolina Constitution limits local unit borrowing power to 8 percent of its assessed property value. The limitation excludes bonded indebtedness existing prior to December 1, 1977, (date of the Constitutional Amendment), certain special levies assessed on properties located in an area receiving special benefits, and other prescribed indebtedness approved by the voters. As of June 30, 2005, the City's legal debt margin was \$6,720,507.

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

General Obligation Bonds outstanding as of June 30, 2005, are as follows:

Governmental Activities:

General Fund:

\$8,240,000 City of Columbia General Obligation Bonds, Series 1998A	
Proceeds for: Refund Series 1991A General Obligation Bonds	
Annual Principal installments of \$595,000 to \$915,000 through February 1, 2012	
Interest Rate: 4.3 to 6.0 %	\$ 5,770,000
\$15,500,000 City of Columbia General Obligation Bonds, Series 2002	
Proceeds for: Infrastructure improvements, acquisition of land, improvements	
to parking lots, construction of a new fire station	
Annual Principal installments of \$575,000 to \$1,190,000 through June 1, 2022	
Interest Rate: 2.75 to 4.625 %	<u>\$ 14,340,000</u>
Totals Government Activities General Obligation Bonds	<u>\$ 20,110,000</u>

Business-type Activities:

Parking Facilities Funds:

\$1,160,000 City of Columbia General Obligation Bonds, Series 1999B	
Proceeds for: Refund Series 1991B General Obligation	
Annual principal installments of \$210,000 to \$245,000 through February 1, 2012	
Interest rate 4.3% to 6.0%	<u>\$ 210,000</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

K. LONG-TERM DEBT (CONTINUED)

Special District Debt

Title 31, Chapter 6 of the South Carolina Code of Laws allows municipalities to redevelop deteriorating areas using incremental tax revenues from property owners located in those areas. In order to finance the development of the Congaree Vista area, the City issued bonds, which are repaid from the incremental taxes of property owners in that neighborhood. The Water and Sewer Facilities Fund revenues are pledged as a junior lien to secure this Special District Tax Increment Debt.

Special District Debt Outstanding at June 30, 2005 is as follows:

Governmental Activities:

General Fund:

\$2,350,000 Tax Increment Bonds Series of 1999
 Annual principal installments of \$159,000 to \$205,297 through March 15, 2014
 Interest rate 4.75% \$ 1,627,380

\$25,000,000 Tax Increment Bonds Series of 2001
 Annual principal installments of \$1,500,000 to \$3,300,000 through December 1, 2011
 Interest rate 2.75% to 5.0% \$ 17,684,012

Total Special District Debt \$ 19,311,392

Revenue Bonds

Revenue bonds 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.

Revenue bonds outstanding as of June 30, 2005, are as follows:

Business-type Activities:

Parking Facilities Fund:

\$8,605,000 Parking Facilities Revenue Bonds, Series 1994 (less defeased refunding loss)
 Payable from revenues derived by the City from operation of off-street
 and on-street parking facilities
 Proceeds for: Refund Series 1987 Parking Facilities Revenue Bonds
 Annual principal installments of \$265,000 to \$680,000 through December 1, 2013
 Interest rate: 3.2 to 5.875% \$4,656,783

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

K. LONG-TERM DEBT (CONTINUED)

Water and Sewer Facilities Fund:

\$97,345,390 Waterworks and Sewer System Revenue Bonds, Series 1991 (\$34,935,000 defeased May 1993 and \$3,370,000 defeased November 2001.) Payable from revenues derived from the water and sewer system Proceeds for: Refunding a portion of the 1985 bonds and capital improvements to the system Annual principal installments of \$3,372,702 to \$4,193,368 through February 1, 2006 Interest rate: 5.5 to 7.0%	\$ 9,175,145
\$74,765,000 Waterworks and Sewer System Revenue Bonds, Series 1993 Payable from revenues derived from the water and sewer system Proceeds for: Refunding all of Series 1989 (\$31,984,646) and all allocated 1991 Series (\$34,935,000 in May 1993) Annual principal installments of \$960,000 to \$8,590,000 through February 1, 2012. Interest rate: 3.5 to 5.7%	\$ 44,950,000
\$61,125,000 Waterworks and Sewer System Revenue Bonds, Series 1999 Payable from revenues derived from the water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$505,000 to \$3,025,000 through February 1, 2010. Interest rate: 3.6 to 6.0%	\$ 11,449,198
\$41,500,000 Waterworks and Sewer System Revenue Bonds, Series 2001 Payable from revenues derived from the water and sewer system Proceeds for: Refunding portion of Series 1991 (\$3,370,000) and portion of Series 1999 (\$36,045,000) Annual principal installments of \$210,000 to \$4,985,000 through February 1, 2019. Interest rate: 3.375 to 5.5%	\$ 42,301,519
\$60,000,000 Waterworks and Sewer System Revenue Bonds, Series 2005 Payable from revenues derived from the water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$4,655,000 to \$6,385,000 through February 1, 2028. Interest rate: 3.6 to 5.0%	\$ 64,129,234
Total Water and Sewer Facilities Fund	<u>\$172,005,096</u>
Total Revenue Bonds	<u>\$176,661,879</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

K. LONG-TERM DEBT (CONTINUED)

Water and Sewer Facilities Fund Note Payable:

As a result of several annexations starting in 1989, the City acquired existing sewer lines constructed with proceeds from Richland County bond issues. The City assumed responsibility for the debt service related to the properties annexed. The current portion of notes payable is \$34,824.

Redevelopment Programs Fund:

The City of Columbia has pledged future Housing and Urban Development (HUD) Entitlements as security for two guaranteed loans. The funds were secured for one commercial loan program of \$200,000, and the purchase of riverfront property in the amount of \$1,515,000. At June 30, 2005, the total current portion is \$80,000 and the long-term portion is \$640,000.

Defeasance Debt:

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. On June 30, 2005, revenue bonds outstanding, considered defeased in previous years, are approximately \$10,085,000 in the Water and Sewer Facilities Fund.

L. NET ASSETS AND RESTRICTED ASSET ACCOUNTS

Net Assets

While the City has no formal legal reservation of net assets, there are certain funds that are restricted for use by HUD regulations. These funds involve the revolving mortgage loan programs funded with Federal Entitlements and are restricted as to use in future revolving loan programs. The total Enterprise Fund Redevelopment Programs net assets are \$25,831,118 of which \$21,342,786 is considered restricted as to use. Additionally, two component units, CHDC and TNDC, have net assets, which are considered restricted by HUD Regulations as program related income, in the amounts of \$174,508 and \$1,626,455, respectively.

In the Internal Service Fleet Management Fund, the net assets of \$5,493,164 are considered restricted for the future implementation of a fleet leasing program.

Restricted Asset Accounts

The City's bond covenants require certain restrictions of cash and investments for bond interest and redemption funds and bond cushion funds. Those restrictions are as follows:

	<u>Water/Sewer Facilities Fund</u>	<u>Parking Facilities Fund</u>	<u>Total</u>
Restricted Assets:			
Cash and cash equivalents:	49,597,242	\$ 718,906	50,316,148
Investments:			
Bond and interest redemption funds	<u>17,152,602</u>	<u>678,541</u>	<u>17,831,143</u>
Total restricted assets	<u>\$ 66,749,844</u>	<u>\$ 1,397,447</u>	<u>\$ 68,147,291</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

IV. PENSION PLANS

The City's retirement plans are as follows:

- Description of Plans

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

- Basic Provisions

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

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

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

- Salaries

During the fiscal year ending June 30, 2005, the City paid salaries of \$77,729,685.

- Funding Policy

South Carolina Retirement System (SCRS)

Plan members are required to contribute 6% of their annual covered salary and the City contributes at an actuarially determined rate of 6.70% of annual payroll. In addition, the City contributes .15% of payroll to provide group life insurance benefits. Contributions to SCRS for the years ending June 30, 2003, 2004 and 2005 were \$5,161,802, \$4,132,274, and \$3,220,311 respectively equal to the actuarially required contributions for each year.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

IV. PENSION PLANS (CONTINUED)

Police Officers Retirement System (SCPORS)

Participating employees contribute 6.5% of their annual covered payroll. The City contributes on their behalf 10.3% of annual payroll plus an additional .2% of payroll to provide group life insurance and .2% of payroll to provide accidental death benefits. Contributions to SCPORS for the years ending June 30, 2003, 2004 and 2005 were \$4,742,844, \$5,117,418, and \$3,135,162 respectively, equal to the actuarially required contribution rates for each year.

V. SEGMENT INFORMATION

The parking facilities fund accounts for on and off street parking in the City of Columbia. Summary financial information for the parking facilities fund is presented below.

CONDENSED STATEMENT OF NET ASSETS

Assets:	
Current assets	\$ 9,409,689
Noncurrent assets	718,906
Capital assets	18,984,819
Other assets	92,747
Total assets	<u>\$ 29,206,161</u>
Liabilities:	
Current liabilities	\$ 1,147,381
Noncurrent liabilities	<u>4,216,783</u>
Total liabilities	5,364,164
Net assets:	
Invested in capital assets, net of related debt	14,328,036
Restricted for debt service	1,397,447
Unrestricted	<u>8,116,514</u>
Total net assets	23,841,997
Total liabilities and net assets	<u>\$ 29,206,161</u>

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Charges for service	\$ 5,940,156
Depreciation expense	(437,379)
Other operating expenses	<u>(1,914,254)</u>
Operating income	3,588,523
Nonoperating revenues (expenses):	
Investment income	243,674
Interest expense	\$ (308,521)
Intergovernmental	(1,090,000)
Other	<u>(37,735)</u>
Change in net assets	2,395,941
Beginning net assets	<u>21,446,056</u>
Ending net assets	<u>\$ 23,841,997</u>

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

V. SEGMENT INFORMATION (Continued)

CONDENSED STATEMENT OF CASH FLOWS

Net cash provided (used) by:		
Operating activities	\$	4,236,752
Non-capital financing activities		(1,918,661)
Capital and related financing activities		(5,527,342)
Investing activities		3,228,437
Net increase (decrease)		<u>19,186</u>
 Beginning cash and cash equivalents		 <u>2,248,803</u>
 Ending cash and cash equivalents	 \$	 <u><u>2,267,992</u></u>

VI. CONTINGENT LIABILITIES

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.

Litigation

The City is a party to legal proceedings that normally occur in government operations. City officials believe that these legal proceedings are not likely to have a material adverse impact on the affected funds of the City, except for potential losses arising from two areas of operations.

There are presently claims asserted against the City, which relate to the provision of safety services at public school facilities. As to these claims, City officials believe that such claims should be barred by the doctrine of sovereign immunity and specific reservations of such immunity set forth in the South Carolina Tort Claims Act.

In addition, there are currently pending two matters in litigation relating to certain services allegedly rendered to the City in connection with a proposed hotel facility to be publicly owned. City officials abandoned the project after it became apparent that the project was not financially feasible. City officials believe that no money is owed to any of the plaintiffs in these actions and the cases are being defended vigorously.

VII. PRIOR PERIOD ADJUSTMENT

During the current year management discovered that certain amounts setup as grants receivable in prior years had been recorded erroneously. The receivables in the amount of \$526,145 have been reversed against beginning fund balance in the non major governmental funds and matching funds in the amount of \$85,631 have been charged to beginning fund balance in the major proprietary fund.

During the year management discovered hat one of the component units had not recorded a non-cash investment in a partnership. This asset has been added and beginning fund balance has been increased.

CITY OF COLUMBIA, SOUTH CAROLINA
Notes to Financial Statements (Continued)
Year Ended June 30, 2005

VIII. SUBSEQUENT EVENTS

Subsequent to June 30, 2005 the City entered into the following transactions:

On November 30, 2005 the City issued Parking Facilities Revenue Bonds for \$45,275,000. The proceeds are to be used to construct four new parking facilities and to improve certain existing facilities.

In December 2005 the City authorized the issuance of \$7,750,000 of Bond Anticipation Notes. The proceeds will be used to assist the University of South Carolina build a parking garage on its Research Campus.

In December 2005 the City authorized a \$4,500,000 enhancement to the developer of the Convention Center Hotel

A contract to sell the Canalside Property to developer for \$6,000,000 is expected to close in January 2006.

Finally the City has obligated funds with the State Department of Transportation to begin Phase I of the \$24,000,000 North Main Street Streetscaping project.

CITY OF COLUMBIA, SOUTH CAROLINA

CITY OF COLUMBIA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance
REVENUES				
General property taxes	\$ 33,167,450	\$ 33,167,450	\$ 31,285,819	\$ (1,881,631)
License and permits	21,274,950	21,401,348	26,666,050	5,264,702
Intergovernmental revenue	6,787,180	6,787,180	8,728,588	1,941,408
Charges for services	5,714,390	5,714,390	6,059,904	345,514
Fines and forfeitures	875,000	875,000	903,730	28,730
Revenues from use of money and property	855,500	855,500	353,198	(502,302)
Other revenues	235,400	265,400	258,160	(7,240)
Cost recovery fees	3,200,000	3,200,000	3,208,450	8,450
Cost recovery fees	228,018	228,018	82,107	(145,911)
Total revenues	72,109,870	72,494,286	77,546,006	5,051,720
EXPENDITURES				
Current				
General government	5,852,113	6,494,557	5,572,898	921,659
Judicial	2,010,528	2,042,447	1,888,129	154,318
Finance department	1,123,611	1,315,403	1,192,351	123,052
Community development	3,310,678	3,362,063	3,161,595	200,468
Public safety	37,254,767	37,408,742	37,124,426	284,316
Parks and recreation	6,090,964	6,090,964	6,404,335	(313,371)
Public services	16,575,471	17,084,449	17,040,356	44,093
General services	2,498,063	2,533,694	2,366,418	167,276
Community promotion	300,000	860,489	781,376	79,113
Nondepartmental	1,386,260	1,535,621	1,823,582	(287,961)
Paid to component units	170,000	170,000	41,861	128,139
Total expenditures	76,572,455	78,898,429	77,397,327	1,501,102
Excess (deficiency) of revenues over (under) expenditures	(4,462,585)	(6,404,143)	148,679	6,552,822
OTHER FINANCING SOURCES (USES)				
Transfers in	8,525,000	8,525,000	5,610,000	(2,915,000)
Transfers (out)	(4,325,833)	(4,836,558)	(5,391,718)	(555,160)
Total other financing sources (uses)	4,199,167	3,688,442	218,282	(3,470,160)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	0	(2,715,701)	366,961	3,082,662
Fund balance - beginning	16,476,549	16,476,549	16,476,549	0
Fund balance - ending	\$ 16,476,549	\$ 13,760,848	\$ 16,843,510	\$ 3,082,662

Note: The budget is prepared in accordance with GAAP.

REQUIRED SUPPLEMENTARY INFORMATION

General Fund is the principal operating fund of the City that accounts for all financial resources not accounted for in other funds.

Required supplementary information for Governments that use the modified approach for infrastructure assets

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance
REVENUES				
General property taxes				
General property taxes - current	\$ 29,356,000	\$ 29,356,000	\$ 26,625,495	\$ (2,730,505)
General property taxes - prior	900,000	900,000	1,623,308	723,308
Real estate tax - Lexington County - current	1,025,150	1,025,150	1,311,754	286,604
Real estate tax - Lexington County - prior	7,500	7,500	0	(7,500)
Personal tax - Lexington County - current	24,150	24,150	22,429	(1,721)
Personal tax - Lexington County - prior	10,000	10,000	9,214	(786)
Business personal tax - Lexington County - current	165,000	165,000	0	(165,000)
Homestead exemption	940,000	940,000	952,340	12,340
Payment in lieu of taxes	36,750	36,750	38,325	1,575
Merchants inventory tax	702,900	702,900	702,954	54
Total general property taxes	33,167,450	33,167,450	31,285,819	(1,881,631)
License and permits				
Business license	6,200,000	6,200,000	7,008,096	808,096
Business license - Telecommunications	1,264,600	1,264,600	1,603,309	338,709
Business license insurance	7,000,000	7,126,398	10,054,507	2,928,109
Delinquent business license	600,000	600,000	1,002,253	402,253
Delinquent business license - prior year	75,000	75,000	222,322	147,322
Business license franchise fees	4,579,000	4,579,000	4,845,440	266,440
Audited license fees	35,000	35,000	4,012	(30,988)
Arts and craft permits	1,000	1,000	1,290	290
New business list sales	600	600	526	(74)
Business license ordinance sales	50	50	90	40
Business license contractor's decals	22,600	22,600	22,601	1
Group event license/permit	6,800	6,800	5,980	(820)
Building permits	1,000,000	1,000,000	1,303,511	303,511
Electrical permits	125,000	125,000	136,101	11,101
Plumbing permits	55,000	55,000	68,678	13,678
Gas permits	12,000	12,000	16,759	4,759
Sign permits	12,500	12,500	12,774	274
Heat permits	85,000	85,000	114,703	29,703
Zoning permits	60,000	60,000	65,380	5,380
Dog license	48,000	48,000	43,324	(4,676)
Chauffeur license	2,500	2,500	3,210	710
Other miscellaneous - business	90,000	90,000	128,306	38,306
Other miscellaneous - non business	0	0	2,578	2,578
Total license and permits	21,274,950	21,401,348	26,666,050	5,264,702
Intergovernmental revenues				
State shared	3,000,000	3,000,000	3,131,607	131,607
Miscellaneous tax collected	9,500	9,500	9,953	453
SC Motor fuel tax reimbursement	0	0	14,239	14,239
Highway signal maintenance	312,680	312,680	330,820	18,140
Fire Rebate - Richland County	3,465,000	3,465,000	5,241,969	1,776,969
Total intergovernmental revenues	6,787,180	6,787,180	8,728,588	1,941,408

(Continued)

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance
Charges for services				
Trade publication renewals	\$ 7,000	\$ 7,000	\$ 9,106	\$ 2,106
Return check service charges	1,000	1,000	2,781	1,781
Regulation code books	1,600	1,600	2,210	610
Duplicated business licenses	290	290	450	160
Project work	5,000	5,000	5,173	173
Compost sales	5,000	5,000	7,615	2,615
Recycling sales	70,000	70,000	96,227	26,227
Solid waste disposal fees	17,500	17,500	16,755	(745)
Rollcart replacement fees	2,000	2,000	1,785	(215)
Commercial bulk container collection	2,000	2,000	0	(2,000)
Commercial bulk container disposal	415,000	415,000	370,749	(44,251)
Commercial rollcart disposal	60,000	60,000	47,472	(12,528)
Eleemosynary bulk container collection	55,000	55,000	41,106	(13,894)
Eleemosynary bulk container disposal	55,000	55,000	40,580	(14,420)
Eleemosynary rollcart collection	38,000	38,000	23,272	(14,728)
Eleemosynary rollcart disposal	10,000	10,000	5,767	(4,233)
Eleemosynary homeowner collection	8,000	8,000	9,719	1,719
Eleemosynary homeowner disposal	0	0	2,409	2,409
Six night service disposal	23,000	23,000	14,225	(8,775)
Special Events collections	0	0	6,673	6,673
Tree and forestry lot clearance fees	35,000	35,000	(20,945)	(55,945)
Demolition charges	15,000	15,000	62,808	47,808
Animal shelter fees	211,000	211,000	232,924	21,924
Employee animal clinic fees	3,500	3,500	1,814	(1,686)
Hydrants fees	4,500,000	4,500,000	4,810,476	310,476
Police accident report copies	8,500	8,500	10,242	1,742
Reimbursement police services	5,000	5,000	0	(5,000)
False fire alarm charges	5,000	5,000	11,680	6,680
Maxcy Gregg admissions fees	21,000	21,000	18,756	(2,244)
Greenview pool admissions fees	7,000	7,000	6,443	(557)
Recreation athletics	12,600	12,600	33,836	21,236
Tennis court fees	30,000	30,000	30,299	299
Golf Center	20,400	20,400	18,390	(2,010)
Other parks/recreation fees	60,000	60,000	126,628	66,628
Findley Parks reservations	5,000	5,000	8,449	3,449
Mayor's Handicap Luncheon	0	0	4,030	4,030
Total charges for services	5,714,390	5,714,390	6,059,904	345,514

(Continued)

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance
Fines and forfeitures				
Criminal court fines	\$ 190,000	\$ 190,000	\$ 182,105	\$ (7,895)
Traffic court fines	600,000	600,000	724,382	124,382
Bond forfeiture from county courts	15,000	15,000	15,100	100
Other miscellaneous police receipts	25,000	25,000	(45,464)	(70,464)
Late Fees	0	0	2,521	2,521
Uniform ordinance inspections	0	0	5,821	5,821
Uniform ordinance animal control	0	0	13,663	13,663
Uniform ordinance business license	0	0	4,026	4,026
Uniform ordinance fire department	0	0	1,576	1,576
Fines - miscellaneous	45,000	45,000	0	(45,000)
Total fines and forfeitures	875,000	875,000	903,730	28,730
Revenues from use of money and property				
Interest on investments general	700,000	700,000	219,316	(480,684)
Interest gain/loss cost /market	100,000	100,000	72,400	(27,600)
Interest - Lexington County tax collections	5,000	5,000	5,629	629
Accrued Interest	0	0	18,108	18,108
Rent Eau ATM	0	0	1,400	1,400
Rent - Watermark Cafe	2,500	2,500	2,770	270
Rent - other miscellaneous sources	40,000	40,000	33,575	(6,425)
Commissions - pay telephone	8,000	8,000	0	(8,000)
Total revenues from use of money and property	855,500	855,500	353,198	(502,302)
Other revenues				
Miscellaneous revenue	122,900	152,900	83,013	(69,887)
Reimbursement property damage	0	0	9,292	9,292
Collection agency	12,500	12,500	1,338	(11,162)
Police revolvers	0	0	8,848	8,848
Auction sales	100,000	100,000	155,669	55,669
Total other revenues	235,400	265,400	258,160	(7,240)
Cost recovery fees	3,200,000	3,200,000	3,208,450	8,450
OTHER FINANCING SOURCES				
Transfers from other funds				
Water and sewer operating	4,500,000	4,500,000	4,500,000	0
Parking operating	1,000,000	1,000,000	1,000,000	0
Accommodations/Hospitality	25,000	25,000	110,000	85,000
Component Units	228,018	228,018	82,107	(145,911)
Unappropriated surplus transfer	3,000,000	3,000,000	0	(3,000,000)
Total transfers from other funds	8,753,018	8,753,018	5,692,107	(3,060,911)
Total revenues and other financing sources	\$ 80,862,888	\$ 81,019,286	\$ 83,156,006	\$ 2,136,720

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance
EXPENDITURES				
General Government				
Legislative				
Personal services	\$ 249,627	\$ 249,627	\$ 247,254	\$ 2,373
Supplies	11,241	14,301	18,600	(4,299)
Other services and charges	118,375	124,914	110,899	14,015
Total legislative	379,243	388,842	376,753	12,089
Executive/Administration				
Personal services	1,836,361	1,836,711	1,686,967	149,744
Supplies	125,407	139,915	88,933	50,982
Other services and charges	385,208	888,919	374,014	514,905
Capital outlay	16,134	38,422	25,969	12,453
Total executive/administration	2,363,110	2,903,967	2,175,883	728,084
Elections				
Other services and charges	0	200	0	200
Total elections	0	200	0	200
Personnel Management				
Personal services	419,413	419,413	430,599	(11,186)
Supplies	19,592	20,202	29,747	(9,545)
Other services and charges	23,357	24,548	17,872	6,676
Total personnel management	462,362	464,163	478,218	(14,055)
Legal				
Personal services	691,850	691,850	638,433	53,417
Supplies	60,625	62,646	52,107	10,539
Other services and charges	404,540	406,440	371,903	34,537
Capital outlay	25,000	25,137	11,007	14,130
Total legal	1,182,015	1,186,073	1,073,450	112,623
Public Information				
Personal services	336,176	336,176	339,099	(2,923)
Supplies	62,108	91,515	46,810	44,705
Other services and charges	53,549	109,183	88,254	20,929
Capital outlay	0	5,709	2,400	3,309
Total public information	451,833	542,583	476,563	66,020
Employee Christmas Baskets				
Supplies	0	0	2,523	(2,523)
Other services and charges	100,000	95,179	91,420	3,759
Total employee Christmas baskets	100,000	95,179	93,943	1,236

(Continued)

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance
Retired Employee Benefits:				
Other services and charges	\$ 913,550	\$ 913,550	\$ 898,088	\$ 15,462
Total retired employee benefits	913,550	913,550	898,088	15,462
Total General Government	5,852,113	6,494,557	5,572,898	921,659
Judicial				
Municipal Court				
Personal services	1,804,886	1,804,886	1,731,859	73,027
Supplies	48,580	66,609	61,817	4,792
Other services and charges	137,312	146,879	81,815	65,064
Capital outlay	19,750	24,073	12,638	11,435
Total municipal court	2,010,528	2,042,447	1,888,129	154,318
Total Judicial	2,010,528	2,042,447	1,888,129	154,318
Finance Department:				
Administration				
Personal services	187,273	187,273	186,474	799
Supplies	5,353	5,353	2,321	3,032
Other services and charges	12,225	12,225	3,523	8,702
Total administration	204,851	204,851	192,318	12,533
Accounting				
Personal services	489,536	489,536	423,124	66,412
Supplies	13,970	18,042	17,900	142
Other services and charges	40,200	36,235	35,926	309
Capital outlay	2,100	2,100	0	2,100
Total accounting	545,806	545,913	476,950	68,963
Business License				
Personal services	331,156	331,156	300,193	30,963
Supplies	22,404	23,089	16,984	6,105
Other services and charges	19,394	210,394	205,906	4,488
Total business license	372,954	564,639	523,083	41,556
Total Finance Department	1,123,611	1,315,403	1,192,351	123,052

(Continued)

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance
Community Development				
Inspections				
Personal services	\$ 1,798,367	\$ 1,798,367	\$ 1,733,667	\$ 64,700
Supplies	61,899	67,399	75,853	(8,454)
Other services and charges	63,320	59,820	67,320	(7,500)
Capital outlay	55,152	53,152	50,967	2,185
Total inspections	1,978,738	1,978,738	1,927,807	50,931
Planning-Zoning				
Personal services	829,439	829,439	776,481	52,958
Supplies	48,495	53,342	44,864	8,478
Other services and charges	203,624	245,332	161,992	83,340
Capital outlay	22,364	27,194	21,889	5,305
Total planning advanced	1,103,922	1,155,307	1,005,226	150,081
TN Development Corp.				
Personal services	222,698	222,698	224,368	(1,670)
Supplies	1,500	1,500	1,321	179
Other services and charges	3,820	3,820	2,873	947
Total TN Development Corp.	228,018	228,018	228,562	(544)
Total Community Development	3,310,678	3,362,063	3,161,595	200,468
Public Safety				
Police Department				
Administrative Service				
Personal services	1,972,105	1,972,105	1,757,350	214,755
Supplies	507,395	652,826	480,799	172,027
Other services and charges	616,282	622,351	672,139	(49,788)
Capital outlay	276,143	177,464	110,255	67,209
Total administrative service	3,371,925	3,424,746	3,020,543	404,203
Operations				
Personal services	15,718,236	15,718,236	15,455,646	262,590
Supplies	425,795	423,781	481,556	(57,775)
Other services and charges	598,133	602,897	601,174	1,723
Capital outlay	319,100	416,350	411,583	4,767
Total operations	17,061,264	17,161,264	16,949,959	211,305
Special Services				
Personal services	2,213,194	2,213,194	2,251,029	(37,835)
Supplies	47,200	46,700	53,994	(7,294)
Other services and charges	55,120	55,120	43,696	11,424
Capital outlay	7,800	6,479	6,397	82
Total special services	2,323,314	2,321,493	2,355,116	(33,623)
Total Police Department	22,756,503	22,907,503	22,325,618	581,885

(Continued)

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance
Fire Department - City Administration				
Personal services	\$ 387,407	\$ 335,386	\$ 321,554	\$ 13,832
Supplies	12,750	16,446	15,129	1,317
Other services and charges	35,750	83,369	7,077	76,292
Capital outlay	0	4,000	3,955	45
Total fire department - city	435,907	439,201	347,715	91,486
Fire Prevention				
Personal services	648,821	638,821	619,898	18,923
Supplies	24,500	26,900	32,777	(5,877)
Other services and charges	13,650	18,726	17,059	1,667
Capital outlay	41,000	51,264	34,164	17,100
Total fire prevention	727,971	735,711	703,898	31,813
Fire Fighting				
Personal services	11,381,334	11,381,334	11,768,406	(387,072)
Supplies	273,400	346,237	237,741	108,496
Other services and charges	1,064,462	1,040,887	1,109,060	(68,173)
Capital outlay	253,331	205,579	249,337	(43,758)
Total fire fighting	12,972,527	12,974,037	13,364,544	(390,507)
Shop Maintenance				
Personal services	236,309	236,309	254,681	(18,372)
Supplies	24,150	21,385	33,107	(11,722)
Other services and charges	50,400	70,650	70,918	(268)
Capital outlay	51,000	23,946	23,945	1
Total shop maintenance	361,859	352,290	382,651	(30,361)
Total Fire Department	14,498,264	14,501,239	14,798,808	(297,569)
Total Public Safety	37,254,767	37,408,742	37,124,426	284,316
Parks and Recreation Recreation				
Personal services	2,363,700	2,363,700	2,474,266	(110,566)
Supplies	65,774	65,144	66,952	(1,808)
Other services and charges	367,269	368,669	569,272	(200,603)
Capital outlay	1,880	16,904	15,024	1,880
Total recreation	2,798,623	2,814,417	3,125,514	(311,097)
Parks				
Personal services	2,478,371	2,478,371	2,480,616	(2,245)
Supplies	203,775	206,076	223,116	(17,040)
Other services and charges	347,058	316,425	319,126	(2,701)
Capital outlay	28,823	42,131	26,004	16,127
Total parks	3,058,027	3,043,003	3,048,862	(5,859)

(Continued)

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance
Swimming Pools				
Personal services	\$ 82,209	\$ 82,209	\$ 77,619	\$ 4,590
Supplies	4,847	4,847	2,839	2,008
Other services and charges	5,400	5,400	4,864	536
Capital outlay				
Total swimming pools	92,456	92,456	85,322	7,134
Tennis Courts				
Personal services	133,978	133,978	137,724	(3,746)
Supplies	3,330	6,230	6,119	111
Other services and charges	4,550	880	794	86
Total tennis courts	141,858	141,088	144,637	(3,549)
Total Parks and Recreation	6,090,964	6,090,964	6,404,335	(313,371)
Public Services				
Administration				
Personal services	189,533	189,533	193,843	(4,310)
Supplies	11,450	13,774	13,037	737
Other services and charges	97,924	99,227	85,284	13,943
Capital outlay	4,900	3,400	3,261	139
Total administration	303,807	305,934	295,425	10,509
Solid Waste				
Personal services	4,690,706	4,690,706	4,704,761	(14,055)
Supplies	553,667	698,233	809,575	(111,342)
Other services and charges	2,790,135	2,900,235	3,219,269	(319,034)
Capital outlay	4,200	4,200	3,526	674
Total solid waste	8,038,708	8,293,374	8,737,131	(443,757)
Streets and Storm Drains				
Personal services	1,144,038	1,144,038	1,022,910	121,128
Supplies	144,315	143,028	128,268	14,760
Other services and charges	137,699	138,986	73,665	65,321
Capital outlay	0	0	5,914	(5,914)
Total street and storm drains	1,426,052	1,426,052	1,230,757	195,295

(Continued)

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance
Animal Control:				
Personal services	\$ 789,425	\$ 789,425	\$ 720,535	\$ 68,890
Supplies	105,285	117,318	96,783	20,535
Other services and charges	106,958	125,422	122,636	2,786
Capital outlay	8,950	30,314	10,017	20,297
Total animal control	1,010,618	1,062,479	949,971	112,508
Communication Center				
Personal services	1,596,295	1,596,295	1,490,762	105,533
Supplies	23,843	34,152	17,503	16,649
Other services and charges	101,742	100,027	84,538	15,489
Capital outlay	30,000	24,000	15,434	8,566
Total communication center	1,751,880	1,754,474	1,608,237	146,237
Trees and Forestry				
Personal services	1,361,804	1,361,804	1,317,948	43,856
Supplies	175,986	215,371	184,911	30,460
Other services and charges	129,873	211,077	135,441	75,636
Capital outlay	47,400	71,782	41,768	30,014
Total trees and forestry	1,715,063	1,860,034	1,680,068	179,966
Traffic Engineering				
Personal services	1,215,394	1,215,394	1,212,960	2,434
Supplies	151,114	164,391	140,018	24,373
Other services and charges	927,606	900,972	1,138,009	(237,037)
Capital outlay	35,229	101,345	47,780	53,565
Total traffic engineering	2,329,343	2,382,102	2,538,767	(156,665)
Total Public Services	16,575,471	17,084,449	17,040,356	44,093
Computer Services				
Personal services	1,168,447	1,168,447	1,109,912	58,535
Supplies	56,606	60,398	49,494	10,904
Other services and charges	402,613	380,359	353,015	27,344
Capital outlay	26,500	48,922	48,060	862
Total computer services	1,654,166	1,658,126	1,560,481	97,645

(Continued)

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

For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance
Public Buildings				
Personal services	\$ 184,176	\$ 184,176	\$ 203,215	\$ (19,039)
Supplies	33,906	34,840	27,058	7,782
Other services and charges	623,315	652,167	571,279	80,888
Capital outlay	2,500	4,385	4,385	0
Total public buildings	<u>843,897</u>	<u>875,568</u>	<u>805,937</u>	<u>69,631</u>
Total General Services	<u>2,498,063</u>	<u>2,533,694</u>	<u>2,366,418</u>	<u>167,276</u>
Community Promotion				
Other services and charges	300,000	10,000	406	9,594
Community Promotion	0	850,489	780,970	69,519
Total Community Promotion	<u>300,000</u>	<u>860,489</u>	<u>781,376</u>	<u>79,113</u>
Nondepartmental Contingencies				
Supplies	89,995	89,995	31,755	58,240
Other services and charges	746,765	1,110,174	492,180	617,994
Capital outlay	220,000	5,952	4,859	1,093
Paid to component units	170,000	170,000	41,861	
Total contingencies	<u>1,056,760</u>	<u>1,206,121</u>	<u>528,794</u>	<u>677,327</u>
Bad Debt Expense				
Bad debt expense	0	0	768,733	(768,733)
Other services and charges	0	0	12,308	(12,308)
Total bad debt expense	<u>0</u>	<u>0</u>	<u>781,041</u>	<u>(781,041)</u>
General Insurance				
Other services and charges	329,500	329,500	227,010	102,490
Total general insurance	<u>329,500</u>	<u>329,500</u>	<u>227,010</u>	<u>102,490</u>
Administration				
Other services and charges	0	0	155,047	(155,047)
Total Administration	<u>0</u>	<u>0</u>	<u>155,047</u>	<u>(155,047)</u>
Bank Service Charges:				
Other services and charges	0	0	131,690	(131,690)
Total bank service charges	<u>0</u>	<u>0</u>	<u>131,690</u>	<u>(131,690)</u>
Total Nondepartmental	<u>1,386,260</u>	<u>1,535,621</u>	<u>1,823,582</u>	<u>(287,961)</u>
OTHER FINANCING SOURCES				
Transfers to Other Funds				
Debt service	3,425,833	3,425,833	3,442,525	(16,692)
Transfers Interfund	900,000	1,410,725	1,949,193	(538,468)
Total transfers to other funds	<u>4,325,833</u>	<u>4,836,558</u>	<u>5,391,718</u>	<u>(555,160)</u>
Total expenditures and other financing uses	<u>\$ 80,898,288</u>	<u>\$ 83,734,987</u>	<u>\$ 82,789,045</u>	<u>\$ 817,803</u>

CITY OF COLUMBIA, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION FOR GOVERNMENT'S THAT USE
THE MODIFIED APPROACH FOR INFRASTRUCTURE ASSETS**

YEAR ENDED JUNE 30, 2005

The City of Columbia's road system consists of 130 miles of paved roads. The condition of the road payment is measured using a number of maintenance requirements that are standard for paved roads. The payment management system uses a measurement scale that is based on a rating index ranging from zero for a failed payment to 100 for a freshly repaved surface. The rating is used to classify roads in good condition, which earn a rating of 100 to 80. Serviceable condition earns a rating of 79 to 50. Poor condition earns a rating below 49.

The percentage of roads in good condition is approximately 20%. The roads in serviceable condition runs about 75% and the amount of roads in poor condition is about 5%. Most of the roads maintained by the City are in residential areas, the downtown area or are minor connectors. Resurfacing contracts are let approximately every two years and the County Transportation Committee provides matching funds.

		Comparison of Needed-To-Actual Maintenance/Preservation Costs				
		2005	2004	2003	2002	2001
Actual	\$	2,417,527	\$ 2,313,821	\$ 2,901,712	\$ 2,494,634	\$ 2,324,089
Needed		<u>2,800,000</u>	<u>3,500,000</u>	<u>3,000,000</u>	<u>2,800,000</u>	<u>2,760,000</u>
Difference	\$	<u>(382,473)</u>	<u>(1,186,179)</u>	<u>(98,288)</u>	<u>(305,366)</u>	<u>(435,902)</u>

CITY OF COLUMBIA, SOUTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Accommodation Tax accounts for State Hotel Accommodations Tax receipts to promote activities of City organizations.

Tourism Development accounts for the Tourism Development Fee imposed upon the rental of hotels, motels, and other lodging establishments in the City. This fee is dedicated to the attraction of and improvement of the services provided to tourists.

Business Improvement District accounts for the Business Improvement District taxes assessed on the businesses in the downtown area of the City to promote downtown beautification.

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

Confiscated Drug Program accounts for the disposition of forfeited property and money seized in Columbia by law enforcement agencies.

Land Acquisition accounts for future land acquisition and development.

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

Community Development Grants and Awards accounts for the Community Development Block Grants and Emergency Shelter Grant.

U.S. Justice Department Grants accounts for receipt of Federal and State funds for programs to improve public safety and law enforcement to the community.

Other Grants accounts for the receipt of Federal and State funds for programs to improve public safety and law enforcement to the community, various tree-planting projects, and various public service and planning projects.

Debt Service Funds

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

Capital Project Funds

Tax Increment District accounts for the construction and development of parks and infrastructure, within the Congaree Vista District funded by tax increment district property tax revenues.

Street Scaping accounts for capital improvements to street landscaping.

Storm Drains accounts for infrastructure improvements.

General Obligation Bonds 2002 accounts for funds designated from the General Obligation Bonds series 2002.

Convention Center Infrastructure accounts for the development of the infrastructure for a new convention center.

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

Annie Mae Dickson Fund accounts for an endowment for which the investment income must be use to purchase flowers for the parks.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2005

	Special Revenue										Debt Service			
	Accommodations Tax	Tourism Development	Business Improvement District	Hospitality Tax	Confiscated Drug Program	Land Acquisition	Other Programs	Community Development	Justice Department Grants	Other Grants	Totals 2005	G. O. Bonds	Special District Bonds	Total
ASSETS														
Cash and cash equivalents	\$ 234,212	\$ 473,130	\$ 30,301	\$ 1,282,138	\$ 91,917	\$ 48,990	\$ 367,248	\$ 398,262	\$ 47,079	\$ 154,047	\$ 3,127,324	\$ 493,866	\$ 4,431,643	\$ 4,925,509
Investments	0	0	95,539	4,042,512	132,466	154,464	0	0	148,436	0	4,573,417	0	0	0
Receivables, net														
Property taxes	0	0	0	0	0	0	0	0	0	0	0	0	53,564	53,564
Federal government	0	0	0	0	0	0	0	479,572	93,550	2,518,425	3,091,547	0	0	0
State government	352,246	18,150	0	0	0	0	217,799	0	34,205	11,092	633,492	0	0	0
Other	0	0	32,829	0	0	836,325	77,481	0	0	1,103,665	2,050,300	0	0	0
Accrued interest	0	0	675	28,136	943	4,325	0	0	1,031	0	35,110	0	0	0
Due from other funds	0	0	0	0	0	615,141	1,014,597	0	0	0	1,629,738	0	0	0
Due from component units	0	0	0	0	0	0	0	2,009	0	0	2,009	0	0	0
Total assets	\$ 586,458	\$ 491,280	\$ 159,344	\$ 5,352,786	\$ 225,326	\$ 1,659,245	\$ 1,677,125	\$ 879,843	\$ 324,301	\$ 3,787,229	\$ 15,142,937	\$ 493,866	\$ 4,485,207	\$ 4,979,073
LIABILITIES AND FUND BALANCES														
Liabilities:														
Accounts payable	\$ 0	\$ 0	\$ 50,000	\$ 50,000	\$ 3,349	\$ 1,982	\$ 62,547	\$ 190,829	\$ 0	\$ 1,157,324	\$ 1,516,031	\$ 0	\$ 0	\$ 0
Accrued salaries and benefits	0	0	0	0	0	0	12,748	61,431	0	2,312	76,491	0	0	0
Retainage payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred revenue	0	0	0	0	49,903	0	0	617,846	324,301	16,553	1,008,603	0	0	0
Due to other funds	0	0	0	0	0	0	1,015,229	3,200	0	2,611,040	3,629,469	0	0	0
Due to component units	0	0	0	0	0	0	0	6,537	0	0	6,537	0	0	0
Total liabilities	0	0	50,000	50,000	53,252	1,982	1,090,524	879,843	324,301	3,787,229	6,237,131	0	0	0
Fund balances														
Reserved for debt service	0	0	0	0	0	0	0	0	0	0	0	493,866	4,485,207	4,979,073
Reserved for encumbrances	256,767	11,751	0	335,017	3,777	1,843	143,947	0	0	0	753,102	0	0	0
Held in trust														
Nonexpendable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expendable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unreserved	329,691	479,529	109,344	4,967,769	168,297	1,655,420	442,654	0	0	0	8,152,704	0	0	0
Total fund balances	586,458	491,280	109,344	5,302,786	172,074	1,657,263	586,601	0	0	0	8,905,806	493,866	4,485,207	4,979,073
Total liabilities and fund balances	\$ 586,458	\$ 491,280	\$ 159,344	\$ 5,352,786	\$ 225,326	\$ 1,659,245	\$ 1,677,125	\$ 879,843	\$ 324,301	\$ 3,787,229	\$ 15,142,937	\$ 493,866	\$ 4,485,207	\$ 4,979,073

(Continued)

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

June 30, 2005

	Capital Projects								Permanent Trust	Total Nonmajor Governmental Funds
	Tax Increment District	Streetscaping	Storm Drains	General Obligation Bonds 2002	Convention Center Infrastructure	General Capital Projects	Miscellaneous Projects	Total		
ASSETS										
Cash and cash equivalents	\$ 9,560,055	\$ 1,143,190	\$ 0	\$ 2,090,950	\$ 301,300	\$ 587,879	\$ 494,970	\$ 14,178,344	\$ 5,685	\$ 22,236,862
Investments	2,196,132	3,604,412	0	0	949,979	1,853,552	1,173,770	9,777,845	0	14,351,262
Receivables, net										
Property taxes	0	0	0	0	0	0	0	0	0	53,564
Federal government	0	0	0	0	0	0	0	0	0	3,091,547
State government	0	0	0	0	0	0	6,413	6,413	0	639,905
Other	0	2,914,745	0	0	0	2,000	15,087	2,931,832	0	4,982,132
Interest	4,316	31,774	0	0	6,614	23,122	8,168	73,994	0	109,104
Due from other funds	0	1,266,103	0	0	0	1,910,957	0	3,177,060	0	4,806,798
Due from component units	0	0	0	0	0	0	0	0	0	2,009
Total assets	\$ 11,760,503	\$ 8,960,224	\$ 0	\$ 2,090,950	\$ 1,257,893	\$ 4,377,510	\$ 1,698,408	\$ 30,145,488	\$ 5,685	\$ 50,273,183
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ 363,941	\$ 18	\$ 0	\$ 0	\$ 0	\$ 1,014,430	\$ 41,927	\$ 1,420,316	\$ 0	\$ 2,936,347
Accrued salaries and benefits	0	0	0	0	0	0	0	0	0	76,491
Retainage payable	0	0	0	0	0	0	37	37	0	37
Deferred revenue	0	0	0	0	0	0	(5,000)	(5,000)	0	1,003,603
Due to other funds	513,383	0	0	0	0	583,838	1,558	1,098,779	0	4,728,248
Due to component units	0	0	0	0	0	0	2,001,705	2,001,705	0	2,008,242
Total liabilities	877,324	18	0	0	0	1,598,268	2,040,227	4,515,837	0	10,752,968
Fund balances										
Reserved for debt service	0	0	0	0	0	0	0	0	0	4,979,073
Reserved for encumbrances	10,255,127	1,660,113	0	0	0	0	1,115,405	13,030,645	0	13,783,747
Held in trust										
Expendable	0	0	0	0	0	0	0	0	685	685
Nonexpendable	0	0	0	0	0	0	0	0	5,000	5,000
Unreserved	628,052	7,300,093	0	2,090,950	1,257,893	2,779,242	(1,457,224)	12,599,006	0	20,751,710
Total fund balances	10,883,179	8,960,206	0	2,090,950	1,257,893	2,779,242	(341,819)	25,629,651	5,685	39,520,215
Total liabilities and fund balances	\$ 11,760,503	\$ 8,960,224	\$ 0	\$ 2,090,950	\$ 1,257,893	\$ 4,377,510	\$ 1,698,408	\$ 30,145,488	\$ 5,685	\$ 50,273,183

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

For the Year Ended June 30, 2005

	Special Revenue										Debt Service			
	Accommodations Tax	Tourism Development	Business Improvement District	Hospitality Tax	Confiscated Drug Program	Land Acquisition	Other Programs	Community Development	Justice Department Grants	Other Grants	Totals 2004	G. O. Bonds	Special District Bonds	Total
REVENUES														
Federal government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,651,215	\$ 133,086	\$ 285,208	\$ 4,069,509	\$ 0	\$ 0	\$ 0
State government	1,054,660	293,309	0	0	0	0	0	0	0	0	1,347,969	0	0	0
County government	0	0	0	6,580,448	0	0	0	0	0	0	6,580,448	0	0	0
Promotions	0	0	0	0	0	0	264,974	0	0	0	264,974	0	0	0
Confiscated funds	0	0	0	0	40,488	0	0	0	0	0	40,488	0	0	0
Current taxes	0	0	0	0	0	0	0	0	0	0	0	0	5,243,537	5,243,537
Investment income (loss)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	15,510	1,761,203	540,857	169,512	7,229	576,253	1,489,468	10,116	(124,759)	3,969,191	8,414,580	0	0	0
Total revenues	1,070,170	2,054,512	540,857	6,749,960	47,717	576,253	1,754,442	3,661,331	8,327	4,254,399	20,717,968	0	5,243,537	5,243,537
EXPENDITURES														
General government	765,924	237,076	601,966	3,422,835	71,155	227,025	1,002,791	3,347,578	24,275	4,281,147	13,981,772	0	0	0
Public safety	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parks and recreation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Public services	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal retirement	0	0	0	0	0	0	0	0	0	0	0	1,270,000	3,644,429	4,914,429
Interest on bonds	0	0	0	0	0	0	0	0	0	0	0	914,545	932,821	1,847,366
Fiscal agent charges	0	0	0	0	0	0	0	0	0	0	0	539	3,145	3,684
Capital outlay	0	0	0	0	20,027	0	226,801	14,415	122,664	47,474	431,381	0	0	0
Paid to component units	0	0	0	0	0	0	0	805,836	0	0	805,836	0	0	0
Total expenditures	765,924	237,076	601,966	3,422,835	91,182	227,025	1,229,592	4,167,829	146,939	4,328,621	15,218,989	2,185,084	4,580,395	6,765,479
Excess (deficiency) of revenues over (under) expenditures	304,246	1,817,436	(61,109)	3,327,125	(43,465)	349,228	524,850	(506,498)	(138,612)	(74,222)	5,498,979	(2,185,084)	663,142	(1,521,942)
OTHER FINANCING SOURCES (USES)														
Transfers in	0	0	0	0	0	0	215,000	14,813	12,743	74,281	316,837	2,171,692	0	2,171,692
Transfers (out)	(25,000)	(1,911,202)	0	(1,045,052)	0	(175,000)	(260,070)	0	0	0	(3,416,324)	(570,832)	0	(570,832)
Transfers (out) - component units	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds of issuing bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total other financing sources (uses)	(25,000)	(1,911,202)	0	(1,045,052)	0	(175,000)	(45,070)	14,813	12,743	74,281	(3,099,487)	1,600,860	0	1,600,860
Net change in fund balances	279,246	(93,766)	(61,109)	2,282,073	(43,465)	174,228	479,780	(491,685)	(125,869)	59	2,399,492	(584,224)	663,142	78,918
Beginning fund balances	307,212	585,046	170,453	3,020,713	215,539	1,483,035	632,966	491,685	125,869	(59)	7,032,459	1,078,090	3,822,065	4,900,155
Prior Period Adjustment	0	0	0	0	0	0	(526,145)	0	0	0	(526,145)	0	0	0
Beginning fund balances as restated	307,212	585,046	170,453	3,020,713	215,539	1,483,035	106,821	491,685	125,869	(59)	6,506,314			
Fund balances, end of year	\$ 586,458	\$ 491,280	\$ 109,344	\$ 5,302,786	\$ 172,074	\$ 1,657,263	586,601	\$ 0	\$ 0	\$ 0	\$ 8,905,806	\$ 493,866	\$ 4,485,207	\$ 4,979,073

(Continued)

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

For the Year Ended June 30, 2005

	Capital Projects									Total Nonmajor Governmental Funds
	Tax Increment District	Street Scaping	Storm Drains	General Obligation Bonds 2002	Convention Center Infrastructure	General Capital Projects	Miscellaneous Projects	Total	Permanent Trust	
REVENUES										
Federal government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 983,565	\$ 0	\$ 983,565	\$ 0	\$ 5,053,074
State government	0	2,012,976	0	0	0	0	17,452	2,030,428	0	3,378,397
County government	0	0	0	0	0	0	0	0	0	6,580,448
Promotions	0	0	0	0	0	0	0	0	0	264,974
Confiscated funds	0	0	0	0	0	0	0	0	0	40,488
Current taxes	0	0	0	0	0	0	0	0	0	5,243,537
Interest	285,354	126,410	0	46,214	90,542	174,682	37,800	761,002	0	761,002
Other	39,367	1,211,851	0	0	0	2,108,790	5,000	3,365,008	0	11,779,588
Total revenues	324,721	3,351,237	0	46,214	90,542	3,267,037	60,252	7,140,003	0	33,101,508
EXPENDITURES										
General Government	5,124,076	0	0	0	2,897,661	425,394	13,293	8,460,424	0	22,442,196
Public safety	0	0	0	0	0	424,123	0	424,123	0	424,123
Parks and recreation	0	0	0	0	0	6,603,196	55,477	6,658,673	0	6,658,673
Public services	0	2,724,827	0	0	0	5,210,910	111,367	8,047,104	0	8,047,104
Principal retirement	0	0	0	0	0	0	0	0	0	4,914,429
Interest on bonds	0	0	0	0	0	0	0	0	0	1,847,366
Fiscal agent charges	0	0	0	0	0	0	0	0	0	3,684
Capital outlay	0	0	0	0	0	0	0	0	0	431,381
	0	0	0	0	0	0	0	0	0	805,836
Total expenditures	5,124,076	2,724,827	0	0	2,897,661	12,663,623	180,137	23,590,324	0	45,574,792
Excess (deficiency) of revenues over (under) expenditures	(4,799,355)	626,410	0	46,214	(2,807,119)	(9,396,586)	(119,885)	(16,450,321)	0	(12,473,284)
OTHER FINANCING SOURCES (USES)										
Transfers in	0	2,175,583	0	0	6,427,519	377,000	220,070	9,200,172	0	11,688,701
Transfers (out)	0	0	0	(6,427,519)	0	(500,000)	0	(6,927,519)	0	(10,914,675)
Transfers (out) - component units	0	0	0	0	0	0	0	0	0	0
Proceeds of issuing bonds	0	0	0	0	0	0	0	0	0	0
Total other financing sources (uses)	0	2,175,583	0	(6,427,519)	6,427,519	(123,000)	220,070	2,272,653	0	774,026
Net change in fund balances	(4,799,355)	2,801,993	0	(6,381,305)	3,620,400	(9,519,586)	100,185	(14,177,668)	0	(11,699,258)
Beginning fund balances	15,682,534	6,158,213	0	8,472,255	(2,362,507)	12,298,828	(442,004)	39,807,319	5,685	51,745,618
Prior Period Adjustment	0	0	0	0	0	0	0	0	0	(526,145)
Beginning fund balances as restated	15,682,534	6,158,213	0	8,472,255	(2,362,507)	12,298,828	(442,004)	39,807,319	5,685	51,219,473
Fund balances, end of year	\$ 10,883,179	\$ 8,960,206	\$ 0	\$ 2,090,950	\$ 1,257,893	\$ 2,779,242	\$ (341,819)	\$ 25,629,651	\$ 5,685	\$ 39,520,215

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 Plant accounts for hydro electric plant activities.

Storm Water Fund accounts for storm water utility activities.

Parking Facilities Fund accounts for parking garage and parking ticket activities.

Transportation Operating Fund accounts for the operation of the Bus Transfer Station.

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

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

JUNE 30, 2005

	Hydro Electric Facilities Fund	Storm Water Facilities Fund	Parking Facilities Fund	Transportation Operating Fund	Redevelopment Programs Fund	Totals
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 334,471	\$ 1,758,788	\$ 1,549,086	\$ 121,394	\$ 1,200,033	\$ 4,963,772
Investments	1,054,567	5,545,365	7,021,612	382,750	3,362,836	17,367,130
Accounts receivable, net	1,083,981	0	111,302	0	0	1,195,283
Mortgage notes receivable, net	0	0	0	0	3,635,662	3,635,662
Accrued interest receivable	134,079	26,398	49,148	2,664	37,572	249,861
Real estate held for resale	0	0	0	0	555,941	555,941
Restricted cash and cash equivalents:	0	0	678,541	0	0	678,541
Total current assets	2,607,098	7,330,551	9,409,689	506,808	8,792,044	28,646,190
Noncurrent assets:						
Restricted cash and cash equivalents:	0	0	718,906	0	0	718,906
Capital assets:						
Land	326,700	0	9,117,316	0	0	9,444,016
Buildings, improvements and utility plant	16,173,300	1,703,897	12,254,620	743,966	0	30,875,783
Machinery and equipment	0	103,989	1,304,209	24,069	0	1,432,267
Less, accumulated depreciation	(889,532)	(111,086)	(5,868,585)	(262,636)	0	(7,131,839)
Construction in progress	0	2,775,041	2,177,259	0	0	4,952,300
Net capital assets	15,610,468	4,471,841	18,984,819	505,399	0	39,572,527
Mortgage notes receivable, net	0	0	0	0	17,938,985	17,938,985
Contract receivable	2,736,055	0	0	0	0	2,736,055
Unamortized bond discounts and costs	0	0	92,747	0	0	92,747
Total noncurrent assets	18,346,523	4,471,841	19,796,472	505,399	17,938,985	61,059,220
Total assets	\$ 20,953,621	\$ 11,802,392	\$ 29,206,161	\$ 1,012,207	\$ 26,731,029	\$ 89,705,410
LIABILITIES AND NET ASSETS						
Current liabilities:						
Accounts payable	\$ 0	\$ 130,758	\$ 308,158	\$ 0	\$ 158,392	\$ 597,308
Accrued salaries and benefits	0	57,870	71,660	0	0	129,530
Accrued vacation pay	0	32,565	82,361	0	0	114,926
Retainage payable	0	79,613	0	0	0	79,613
Due to other funds	0	7,850	6,661	0	0	14,511
Note payable	0	0	0	0	80,000	80,000
General obligation bonds payable	0	0	210,000	0	0	210,000
Contract payable	792,921	0	0	0	0	792,921
Payable from restricted assets:						
Accrued interest payable	154,883	0	27,545	0	21,519	203,947
Revenue bonds payable, net	0	0	440,000	0	0	440,000
Customer deposits	0	0	996	0	0	996
Total current liabilities	947,804	308,656	1,147,381	0	259,911	2,663,752
Noncurrent liabilities						
Note payable	0	0	0	0	640,000	640,000
Contract payable	3,566,640	0	0	0	0	3,566,640
Revenue bonds payable, net	0	0	4,216,783	0	0	4,216,783
Total long-term liabilities	3,566,640	0	4,216,783	0	640,000	8,423,423
Total liabilities	4,514,444	308,656	5,364,164	0	899,911	11,087,175
Net Assets:						
Investment in capital assets, net of related debt	15,610,468	4,471,841	14,118,036	505,399	0	34,705,744
Restricted for debt service	0	0	1,397,447	0	0	1,397,447
Unrestricted	828,709	7,021,895	8,326,514	506,808	25,831,118	42,515,044
Total net assets	16,439,177	11,493,736	23,841,997	1,012,207	25,831,118	78,618,235
Total liabilities and net assets	\$ 20,953,621	\$ 11,802,392	\$ 29,206,161	\$ 1,012,207	\$ 26,731,029	\$ 89,705,410

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

For the Year Ended June 30, 2005

	Hydro Electric Facilities Fund	Storm Water Facilities Fund	Parking Facilities Fund	Transportation Operating Fund	Redevelopment Programs Fund	Totals
Operating revenues:						
Charges for services	\$ 0	\$ 3,679,426	\$ 4,254,858	\$ 360	\$ 0	\$ 7,934,644
Other operating revenue	633,318	0	1,685,298	0	64,500	2,383,116
Total operating revenue	<u>633,318</u>	<u>3,679,426</u>	<u>5,940,156</u>	<u>360</u>	<u>64,500</u>	<u>10,317,760</u>
Operating expenses:						
Personal services	0	1,226,554	1,404,898	0	0	2,631,452
Materials and supplies	0	87,260	94,285	0	0	181,545
Other services and charges	10,168	82,130	276,316	90,000	148,686	607,300
Heat, light and power	353,411	0	136,349	0	0	489,760
Depreciation	323,467	105,174	437,379	31,363	0	897,383
Bad debt expense	0	0	2,406	0	36,943	39,349
Total operating expenses	<u>687,046</u>	<u>1,501,118</u>	<u>2,351,633</u>	<u>121,363</u>	<u>185,629</u>	<u>4,846,789</u>
Operating income (loss)	<u>(53,728)</u>	<u>2,178,308</u>	<u>3,588,523</u>	<u>(121,003)</u>	<u>(121,129)</u>	<u>5,470,971</u>
Nonoperating revenues (expenses):						
Investment income (loss)	209,425	119,044	243,674	13,700	719,300	1,305,143
Other nonoperating income	0	0	29,644	0	0	29,644
Gain (loss) from sale of assets	(512)	0	0	(310)	3,112	2,290
Interest expense	(216,068)	0	(308,521)	0	(52,918)	(577,507)
Amortization of bond costs	0	0	(67,379)	0	0	(67,379)
Total nonoperating revenues (expenses)	<u>(7,155)</u>	<u>119,044</u>	<u>(102,582)</u>	<u>13,390</u>	<u>669,494</u>	<u>692,191</u>
Income (loss) before transfers	<u>(60,883)</u>	<u>2,297,352</u>	<u>3,485,941</u>	<u>(107,613)</u>	<u>548,365</u>	<u>6,163,162</u>
Transfers:						
Transfers in	0	3,216,957	0	90,000	1,274,232	4,581,189
Transfers (out)	0	0	(1,090,000)	0	(14,813)	(1,104,813)
Capital Contribution	<u>0</u>	<u>769,877</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>769,877</u>
Change in net assets	<u>(60,883)</u>	<u>6,284,186</u>	<u>2,395,941</u>	<u>(17,613)</u>	<u>1,807,784</u>	<u>10,409,415</u>
Beginning net assets	<u>16,500,060</u>	<u>5,209,550</u>	<u>21,446,056</u>	<u>1,029,820</u>	<u>24,023,334</u>	<u>68,208,820</u>
Ending net assets	<u>\$ 16,439,177</u>	<u>\$ 11,493,736</u>	<u>\$ 23,841,997</u>	<u>\$ 1,012,207</u>	<u>\$ 25,831,118</u>	<u>\$ 78,618,235</u>

CITY OF COLUMBIA
NONMAJOR PROPRIETARY FUND
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2005

	Hydro Electric Facilities Fund	Storm Water Facilities Fund	Parking Facilities Fund	Transportation Operating Fund	Redevelopment Programs Fund	Total Nonmajor Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 405,208	\$ 3,679,426	\$ 5,956,655	\$ 0	\$ 27,557	\$ 10,068,846
Payments to suppliers	(363,579)	(172,845)	(345,741)	(180,000)	(258,380)	(1,320,545)
Payments to employees	0	(1,265,774)	(1,374,162)	0	0	(2,639,936)
Net Cash provided (used) by operating activities	41,629	2,240,807	4,236,752	(180,000)	(230,823)	6,108,365
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Due to (from) others	550,091	(515)	(828,661)	0	827,263	548,178
Transfers in	0	3,216,957	0	90,000	1,274,232	4,581,189
Transfers out	0	0	(1,090,000)	0	(14,813)	(1,104,813)
Net cash provided (used) by noncapital and related financing activities	550,091	3,216,442	(1,918,661)	90,000	2,086,682	4,024,554
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	(1)	(3,446,832)	(4,567,861)	0	0	(8,014,694)
Capital contributions	0	769,877	0	0	0	769,877
Principal paid on bonds and notes	(756,965)	0	(645,004)	0	(160,000)	(1,561,969)
Interest paid on debt	(243,461)	0	(314,477)	0	(57,394)	(615,332)
Net cash provided (used) by capital and related financing activities	(1,000,427)	(2,676,955)	(5,527,342)	0	(217,394)	(9,422,118)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	(381,978)	(1,654,840)	0	0	(2,428,138)	(4,464,956)
Proceeds from sale of investments	0	0	2,953,244	124,675	377,426	3,455,345
Principal received on debt	793,433	0	0	0	0	793,433
Interest received	234,912	107,250	245,549	13,737	701,374	1,302,822
Rent received	0	0	29,644	0	0	29,644
Purchase of inventory for resale	0	0	0	0	(215,168)	(215,168)
Extraordinary loss	0	0	0	0	0	0
Net cash provided (used) by investing activities	646,367	(1,547,590)	3,228,437	138,412	(1,564,506)	901,120
Net increase (decrease) in cash and cash equivalents	237,660	1,232,704	19,186	48,412	73,959	1,611,921
Cash and cash equivalents, July 1 (including \$718,906 in Parking reported in restricted cash)	96,811	526,084	2,248,806	72,982	1,126,074	4,070,757
Cash and cash equivalents, June 30 (including \$718,906 in Parking reported in restricted cash)	\$ 334,471	\$ 1,758,788	\$ 2,267,992	\$ 121,394	\$ 1,200,033	\$ 5,682,678
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income	\$ (53,728)	\$ 2,178,308	\$ 3,588,523	\$ (121,003)	\$ (121,129)	\$ 5,470,971
Adjustment to reconcile operating income to net cash provided (used) by operating activities						
Depreciation	323,467	105,174	437,379	31,363	0	897,383
Bad debt expense	0	0	2,406	0	36,943	39,349
Change in operating assets and liabilities						
Accounts Receivable	(228,110)	0	16,499	(360)	(36,943)	(248,914)
Accounts Payable	0	(3,455)	161,209	(90,000)	(109,694)	(41,940)
Accrued salaries	0	898	18,550	0	0	19,448
Accrued vacation	0	(40,118)	12,186	0	0	(27,932)
0	0	0	0	0	0	0
Total adjustments	95,357	62,499	648,229	(58,997)	(109,694)	637,394
Net cash provided (used) by operating activities	\$ 41,629	\$ 2,240,807	\$ 4,236,752	\$ (180,000)	\$ (230,823)	\$ 6,108,365
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES						
Decrease in fair value of investments	512	7,528	20,746	310	158	29,254
Amortization of bond cost	0	0	62,374	0	0	62,374

INTERNAL SERVICE FUNDS

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

Fleet Management accounts for the maintenance and repair of vehicles.

Support Services accounts for a decentralized governmental and enterprise inventory system, a central supply facility, procurement functions and the City's general maintenance functions.

Risk Management accounts for the costs associated with self-funded liability plans for employee health, worker's compensation, unemployment and tort liability for all City departments.

CITY OF COLUMBIA, SOUTH CAROLINA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS

June 30, 2005

	Fleet Management	Support Services	Risk Management	Totals 2005
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 439,953	\$ 4,706,797	\$ 4,904,696	\$ 10,051,446
Investments	1,387,148	0	15,464,233	16,851,381
Accounts receivable	36,524	1,592	43,306	81,422
Accrued interest receivable	9,759	0	107,801	117,560
Deposits	0	0	128,475	128,475
Due from other funds	0	0	361,969	361,969
Inventory	0	4,305,722	0	4,305,722
Total current assets	1,873,384	9,014,111	21,010,480	31,897,975
Noncurrent assets				
Capital assets				
Buildings	903,585	0	0	903,585
Machinery and equipment	6,162,298	514,118	18,427	6,694,843
Less, accumulated depreciation	-2,930,202	-215,494	-12,899	-3,158,595
Total capital assets (net of accumulated depreciation)	4,135,681	298,624	5,528	4,439,833
Total assets	\$ 6,009,065	\$ 9,312,735	\$ 21,016,008	\$ 36,337,808
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 269,872	\$ 423,364	\$ 532,311	\$ 1,225,547
Accrued salaries and benefits	89,551	41,386	18,658	149,595
Accrued vacation pay	144,137	57,666	46,661	248,464
Capital Lease Payable	0	690,244	0	690,244
Due to other funds	12,341	3,694,787	789	3,707,917
Accrued liability for claims	0	0	9,061,335	9,061,335
Total current liabilities	515,901	4,907,447	9,659,754	15,083,102
Long Term Liabilities:				
Capital Lease Payable	0	2,956,233	0	2,956,233
Total long term liabilities	0	2,956,233	0	2,956,233
Total liabilities	515,901	7,863,680	9,659,754	18,039,335
NET ASSETS				
Investment in capital assets	4,135,681	298,624	5,528	4,439,833
Unrestricted	1,357,483	1,150,431	11,350,726	13,858,640
Total net assets	5,493,164	1,449,055	11,356,254	18,298,473
Total liabilities and net assets	\$ 6,009,065	\$ 9,312,735	\$ 21,016,008	\$ 36,337,808

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

Year Ended June 30, 2005

	Fleet Management	Support Services	Risk Management	Total 2005
Operating revenues:				
Charges for services	\$ 7,414,395	\$ 3,281,126	\$ 12,354,821	\$ 23,050,342
Total operating revenues	7,414,395	3,281,126	12,354,821	23,050,342
Operating expenses:				
Personal services	1,882,943	758,825	363,652	3,005,420
Materials and supplies	4,963,209	589,520	10,023	5,562,752
Contractual services	537	137,073	1,591,639	1,729,249
Heat, light and power	62,078	0	0	62,078
Other charges and services	135,338	2,895,516	197,068	3,227,922
Claims and premiums	0	0	10,549,012	10,549,012
Depreciation	838,951	50,637	3,686	893,274
Total operating expenses	7,883,056	4,431,571	12,715,080	25,029,707
Operating income (loss)	(468,661)	(1,150,445)	(360,259)	(1,979,365)
Non-operating revenues:				
Interest income	65,868	90,630	600,338	756,836
Gain (loss) on sale of assets	1,700	0	0	1,700
Total non-operating revenues	67,568	90,630	600,338	758,536
Income (loss) before transfers	(401,093)	(1,059,815)	240,079	(1,220,829)
Transfers in	0	716,668	0	716,668
Change in net assets	(401,093)	(343,147)	240,079	(504,161)
Total net assets - beginning	5,894,257	1,792,202	11,116,175	18,802,634
Total net assets - ending	\$ 5,493,164	\$ 1,449,055	\$ 11,356,254	\$ 18,298,473

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

Year Ended June 30, 2005

	Fleet Management	Support Services	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 7,405,617	\$ 3,279,534	\$ 12,309,629	\$ 22,994,780
Payments to suppliers	(5,143,346)	(3,705,007)	(18,837,012)	(27,685,365)
Payments to employees	(1,863,472)	(777,672)	(356,311)	(2,997,455)
Net cash provided(used) by operating activities	<u>398,799</u>	<u>(1,203,145)</u>	<u>(6,883,694)</u>	<u>(7,688,040)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due to(from) others	(711,995)	3,894,601	(47,087)	3,135,519
Transfers in	0	716,668	0	716,668
Net cash provided(used) by noncapital and related financing activities	<u>(711,995)</u>	<u>4,611,269</u>	<u>(47,087)</u>	<u>3,852,187</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(591,501)	(311,516)	0	(903,017)
Proceeds from sale of capital assets	1,700	0	0	1,700
Principal paid on lease	0	(653,523)	0	(653,523)
Net cash provided (used) by capital and related financing activities	<u>(589,801)</u>	<u>(965,039)</u>	<u>0</u>	<u>(1,554,840)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(363,767)	0	7,819,218	7,455,451
Interest received	70,939	90,630	667,118	828,687
Net cash provided(used) by investing activities	<u>(292,828)</u>	<u>90,630</u>	<u>8,486,336</u>	<u>8,284,138</u>
Net increase (decrease) in cash and cash equivalents	(1,195,825)	2,533,715	1,555,555	2,893,445
Cash and cash equivalents, July 1	<u>1,635,778</u>	<u>2,173,082</u>	<u>3,349,141</u>	<u>7,158,001</u>
Cash and cash equivalents, June 30	<u>\$ 439,953</u>	<u>\$ 4,706,797</u>	<u>\$ 4,904,696</u>	<u>\$ 10,051,446</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income	\$ (468,661)	\$ (1,150,445)	\$ (360,259)	\$ (1,979,365)
Adjustment to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	838,951	50,637	3,686	893,274
Change in operating assets and liabilities				
Accounts receivable	(8,778)	(1,592)	(45,192)	(55,562)
Inventory	0	(304,237)	0	(304,237)
Accounts payable	17,816	221,339	379,314	618,469
Accrued salaries	5,418	5,997	2,031	13,446
Accrued vacation	14,053	(24,844)	5,310	(5,481)
Accrued liability for claims	0	0	(6,868,584)	(6,868,584)
Total adjustments	<u>867,460</u>	<u>(52,700)</u>	<u>(6,523,435)</u>	<u>(5,708,675)</u>
Net cash provided (used) by operating activities	<u>\$ 398,799</u>	<u>\$ (1,203,145)</u>	<u>\$ (6,883,694)</u>	<u>\$ (7,688,040)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Decrease in fair value of investments	(2,957)	0	(2,243)	(5,200)

AGENCY FUNDS

Agency Funds are used to account for assets held by the City as a custodial trustee, and do not involve measurement of results of operations.

CITY OF COLUMBIA, SOUTH CAROLINA

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

For the Year Ended June 30, 2005

	Balance June 30, 2004	Additions	Deductions	Balance June 30, 2005
<u>ASSETS</u>				
Cash and cash equivalents	\$ <u>82,689</u>	\$ <u>110,736</u>	\$ <u>104,615</u>	\$ <u>88,810</u>
Total assets	\$ <u><u>82,689</u></u>	\$ <u><u>110,736</u></u>	\$ <u><u>104,615</u></u>	\$ <u><u>88,810</u></u>
<u>LIABILITIES</u>				
Accounts Payable	\$ <u>82,689</u>	\$ <u>110,736</u>	\$ <u>104,615</u>	\$ <u>88,810</u>
Total liabilities	\$ <u><u>82,689</u></u>	\$ <u><u>110,736</u></u>	\$ <u><u>104,615</u></u>	\$ <u><u>88,810</u></u>

CITY OF COLUMBIA, SOUTH CAROLINA

STATISTICAL SECTION

CITY OF COLUMBIA, SOUTH CAROLINA
General Governmental Expenditures by Function (1)
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Government (including Judicial)	Finance Department	Public Safety	Public Services	Parks and Recreation	General Services	(2) Non - Departmental	Debt Service	Total
1996 \$	15,141,748	\$ 628,897	26,578,104	\$ 13,045,249	\$ 3,650,887	\$ 1,950,936	\$ 3,431,046	\$ 3,294,218	\$ 67,721,085
1997	17,941,408	624,404	27,509,557	13,101,466	3,983,639	2,060,968	4,415,368	3,058,587	72,695,397
1998	17,911,512	637,919	27,978,282	14,048,222	4,548,342	2,003,885	4,403,575	3,013,103	74,544,840
1999	18,254,231	670,699	29,007,448	14,504,870	4,780,980	1,827,872	4,854,289	2,765,682	76,666,071
2000	20,637,407	660,500	31,254,495	14,814,481	5,166,101	2,011,780	6,533,274	2,820,608	83,898,646
2001	24,191,112	754,291	31,023,855	14,653,490	5,320,632	2,830,930	13,799,625	3,135,293	95,709,228
2002	41,835,074	794,471	33,818,006	15,081,382	6,397,916	2,256,629	6,737,131	4,633,150	111,553,759
2003	50,192,834	889,279	37,735,589	17,609,130	8,319,793	2,489,298	8,068,918	4,969,839	130,274,680
2004	49,734,715	1,022,332	38,176,476	22,669,683	7,753,513	2,467,729	7,915,399	7,138,852	136,878,699
2005	47,678,771	1,192,351	37,548,549	25,087,460	13,063,008	2,366,418	7,122,359	6,765,479	140,824,395

(1) Includes total governmental funds.

(2) Includes non-departmental, community promotions, community development, capital outlay of special revenue and paid to component units.

CITY OF COLUMBIA, SOUTH CAROLINA
General Governmental Revenues by Source (1)
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Property Taxes	Licenses and Permits	Fines and Forfeitures (2)	Revenues From Use of Money and Property	Inter-governmental Revenues	Charges for Services (3)	Grants and Other Revenues (4)	Total
1996	\$ 27,862,349	\$ 15,584,994	\$ 890,855	\$ 504,586	\$ 16,423,730	\$ 8,215,746	\$ 1,495,584	\$ 70,977,844
1997	30,279,742	16,561,509	815,544	639,250	18,628,817	8,358,129	3,497,768	78,780,759
1998	28,546,763	17,222,175	1,217,634	854,790	20,899,052	8,615,795	3,175,917	80,532,126
1999	29,994,261	18,581,361	1,264,924	765,599	19,858,343	8,957,722	3,501,962	82,924,172
2000	31,156,007	19,473,839	1,138,140	954,736	24,464,558	9,012,986	3,936,122	90,136,388
2001	33,545,198	21,331,968	957,822	1,465,644	31,889,662	9,177,057	4,275,664	102,643,015
2002	34,670,479	22,576,535	986,247	1,371,073	30,318,580	9,351,199	6,687,714	105,961,827
2003	36,233,504	23,487,750	881,319	853,450	26,535,765	9,420,593	17,949,043	115,361,424
2004	36,099,720	25,431,285	792,154	52,231	34,697,772	9,517,515	11,723,684	118,314,361
2005	36,529,356	26,666,050	903,730	1,114,238	29,144,146	6,059,904	8,574,582	108,992,006

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

CITY OF COLUMBIA, SOUTH CAROLINA
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (2)	Percent of Current Taxes Collected	Delinquent Tax Collections (3)	Total Tax Collections (4)	Ratio of Total Tax Collections to Total Tax Levy (2)	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
1996	\$ 23,531,982	\$ 21,753,305	92.44	\$ 1,413,850	\$ 23,167,155	98.44	\$ 1,851,581	7.87
1997	24,940,729	22,993,665	92.20	1,243,605	24,237,271	97.19	915,917	3.67
1998	25,653,727	23,841,043	92.93	1,078,117	24,919,160	97.14	961,349	3.75
1999	26,157,433	25,102,033	95.97	794,092	25,896,125	99.00	860,375	3.29
2000	27,960,908	26,694,938	95.47	949,237	27,644,175	98.87	972,640	3.48
2001	30,342,007	27,581,071	90.90	1,448,732	29,029,803	95.68	1,025,138	3.38
2002	30,747,522	27,930,552	90.84	1,542,794	29,473,346	95.86	1,136,150	3.70
2003	30,717,596	28,041,551	91.29	1,663,305	29,704,855	96.70	1,155,090	3.76
2004	30,246,516	28,162,482	93.11	1,574,590	29,737,072	98.32	770,230	2.55
2005	30,483,195	27,959,678	91.72	1,632,522	29,592,200	97.08	797,804	2.62

- (1) The City levied and collected real and personal property taxes in some areas of Lexington County due to annexation.
- (2) Includes only 80% of taxes levied on real property on which the assessment has been appealed.
- (3) This represents delinquent taxes collected within the fiscal year. A breakdown of delinquent tax collections by year of tax is not available. Therefore, the ratio of total tax collections to total tax levy may exceed 100%.
- (4) Does not include payment in lieu of taxes from Columbia Housing Authority.

CITY OF COLUMBIA, SOUTH CAROLINA
Assessed and Estimated Actual Value of Property (1)
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Tax Year	Real Property (2)		Personal Property (4)		Total		Ratio of Total Assessed Value To Estimated Actual Value
		Assessed Value	Estimated Actual Value	Assessed Value (3)	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1996	1995	\$ 162,008,840	\$ 3,162,222,096	\$ 75,688,000	\$ 720,838,090	\$ 237,696,840	\$ 3,883,060,186	6.12
1997	1996	163,548,600	3,228,165,967	88,377,996	842,082,200	251,926,526	4,070,248,167	6.19
1998	1997	168,068,840	3,313,810,127	91,059,760	895,068,506	259,128,600	4,208,878,633	6.16
1999	1998	168,096,480	3,346,262,917	96,120,012	944,391,074	264,216,492	4,290,653,992	6.16
2000	1999	201,775,490	4,041,222,908	108,901,269	1,037,154,941	310,676,759	5,078,377,849	6.12
2001	2000	208,432,649	4,148,697,733	121,371,772	716,246,505	329,804,421	4,864,944,238	6.78
2002	2001	213,751,250	4,306,304,426	120,460,950	1,172,654,757	334,212,200	5,478,959,183	6.10
2003	2002	218,320,320	4,397,310,301	115,566,596	1,150,448,599	333,886,916	5,547,758,900	6.02
2004	2003	225,199,267	4,527,472,624	103,567,184	1,063,887,735	328,766,451	5,591,360,359	5.88
2005	2004	228,375,270	4,591,392,500	102,543,149	1,069,412,879	330,918,419	5,660,805,379	5.85

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

(2) Does not include real property assessment under appeal.

(3) Merchants inventory tax was eliminated in 1987. Funds are appropriated by the state to make up the loss of revenues from the phase-out a higher minimum assessed value was also established for autos.

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

Note: The Act, which provides for statewide uniform assessment ratios, established assessment rates of 10.5% for manufacturers', equipment, furniture, and fixtures, and autos; 6% for inventory; and either 6% or 4% for real estate. A county-wide reassessment of real property and manufacturers was completed in 1992 tax year.

CITY OF COLUMBIA, SOUTH CAROLINA

Principal Taxpayers
(Unaudited)

Year Ended June 30, 2005

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
South Carolina Electric & Gas	Electric & Gas Utility	\$ 11,708,450	3.54%
BellSouth Telecom, Inc.	Communications	9,815,160	2.97%
Main Street Associates	Real Estate	2,334,900	0.71%
Colonial Life & Accident	Insurance	2,331,480	0.70%
AT&T Communications	Communications	2,132,590	0.64%
Time Warner Ent. - Advance	Cable	1,806,950	0.55%
Baker & Baker	Insurance	1,970,280	0.60%
Airgatae PCS	Utilities	1,711,200	0.52%
Parkway Properties LP	Real Estate	1,633,630	0.49%
Dutch Square Limited Liability	Real Estate	1,480,070	0.45%
Totals		\$ 36,924,710	11.17%

CITY OF COLUMBIA, SOUTH CAROLINA

**Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Value)
Last Ten Fiscal Years
(Unaudited)**

Tax Year	City Millage	County Purposes Millage	Richland County School District No. 1 (1)		Richland County School District No. 2		Richland County School District No. 6 (2)	
			School Millage	Total Overlapping District 1CC	School Millage	Total Overlapping District 2CC	School Millage	Total Overlapping District 6CC
1995	99	89.3	166.3	354.6	187.1	375.4	209.7	398.0
1996	99	79.9	175.8	354.7	207.8	386.7	209.4	388.3
1997	99	76.9	186.6	362.5	206.8	382.7	209.4	385.3
1998	99	82.1	192.8	373.9	212.4	393.5	214.6	395.7
1999	90	80.6	183.9	354.5	197.5	368.1	197.2	367.8
2000	92	78.5	193.0	363.5	208.8	379.3	212.9	383.4
2001	92	65.7	215.1	372.8	230.0	387.7	235.4	393.1
2002	92	70.8	238.9	401.7	258.1	420.9	255.6	418.4
2003	92	76.3	280.4	448.8	281.8	450.2	267.5	435.9
2004	92	80.0	289.1	461.1	289.5	461.5	266.4	438.4

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

(2) Annexation first occurred in School District No. 6 in tax year 1991.

CITY OF COLUMBIA, SOUTH CAROLINA

Computation of Legal Debt Margin
(Unaudited)

Year Ended June 30, 2005

Assessed value as of January 1, 2004	
City limits Richland County	\$ 316,580,133
City limits Lexington County	14,758,920
Total	<u>331,339,053</u>
Business inventory 1987 assessed value	<u>6,667,290</u>
 Total assessed value (see note)	 <u>\$ 338,006,343</u>
 Debt limit - Eight (8%) percent of assessed value, without voters' approval	 \$ 27,040,507
Amount of debt applicable to debt limit:	
Total general bonded debt	<u>20,320,000</u>
 Legal debt margin without a referendum	 <u>\$ 6,720,507</u>

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

CITY OF COLUMBIA, SOUTH CAROLINA

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

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Payable From Enterprise Revenues (4)	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
1996	119,884	\$ 237,696,840	\$ 11,850,000	\$ 2,250,000	\$ 9,600,000	4.04	80.08
1997	126,754	251,926,596	11,205,000	2,005,000	9,200,000	3.66	72.58
1998	126,800	259,128,600	11,306,141	1,766,141	9,540,000	3.68	75.24
1999	126,828	264,216,492	10,679,837	1,539,837	9,140,000	3.46	75.24
2000	126,828	310,676,759	10,058,532	1,318,532	8,740,000	2.81	68.91
2001	116,278	329,804,421	9,347,228	1,107,228	8,240,000	2.50	64.97
2002	116,278	334,212,200	8,520,924	875,924	7,645,000	2.29	65.75
2003	117,394	333,886,916	23,194,620	644,620	22,550,000	6.75	192.09
2004	117,394	328,766,451	21,803,315	423,315	21,380,000	6.50	182.12
2005	117,394	331,339,053	20,320,000	210,000	20,110,000	6.07	171.30

- (1) Source: Bureau of the Census and Current Planning Department of the City of Columbia, South Carolina.
- (2) From assessed value of property as furnished by Richland & Lexington counties.
- (3) Amount does not include revenue bonds.
- (4) This amount represents the general obligation refunding bond that is being repaid from the parking operating fund.

CITY OF COLUMBIA, SOUTH CAROLINA

**Ratio of Annual Debt Service Expenditures
General Obligation Bonded Debt (1)
Total General Governmental Expenditures
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Principal (1)	Interest (2)	Total Debt Service	Total General Governmental Expenditures (3)	Ratio of Debt Service to General Governmental Expenditures
1996	\$ 550,000	\$ 673,075	\$ 1,223,075	\$ 67,721,085	1.8
1997	400,000	631,775	1,031,775	72,695,397	1.4
1998	400,000	600,175	1,000,175	74,544,840	1.3
1999	400,000	368,448	768,448	76,666,071	1.0
2000	400,000	440,797	840,797	83,898,646	1.0
2001	500,000	416,398	916,398	95,709,228	1.0
2002	595,000	385,398	980,398	95,858,067	1.0
2003	595,000	174,849	769,849	105,298,901	0.7
2004	595,000	320,245	915,245	113,119,371	0.8
2005	685,000	294,660	979,660	119,787,994	0.8

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

(2) Excludes bond issuance and other costs.

(3) Includes general, special revenue, and debt service funds.

CITY OF COLUMBIA, SOUTH CAROLINA

**Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds
(Unaudited)
Year Ended June 30, 2005**

Jurisdiction	City of Columbia Direct General Obligation Bonded Debt Outstanding (1)	Overlapping General Obligation Bonded Debt Outstanding	Total Direct and Overlapping Bonded Debt Outstanding (1)
Direct:			
City of Columbia	\$ 20,110,000	0	20,110,000
Overlapping:			
Richland County School District No. 1	216,391,355	175,733,645	392,125,000
General purposes - Richland County	18,364,552	40,224,176	58,588,728
Riverbanks Park District	<u>3,076,832</u>	<u>13,118,168</u>	<u>16,195,000</u>
Total Overlapping	<u>237,832,739</u>	<u>229,075,989</u>	<u>466,908,728</u>
Total	\$ <u><u>257,942,739</u></u>	\$ <u><u>229,075,989</u></u>	\$ <u><u>487,018,728</u></u>

(1) Excluding general obligation refunding bonds reported in the enterprise funds.

CITY OF COLUMBIA, SOUTH CAROLINA

**Revenue Bond Coverage
Water and Sewer Bonds**

**Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirement			Coverage
				Principal	Interest	Total	
1996	\$ 54,369,270	\$ 21,987,614	\$ 32,381,656	\$ 7,715,000	\$ 6,879,500	\$ 14,594,500	2.22
1997	56,355,385	22,947,595	33,407,790	8,620,000	6,538,633	15,158,633	2.20
1998	57,353,677	23,243,021	34,110,656	9,085,000	6,073,683	15,158,683	2.25
1999	65,554,713	24,357,987	41,196,726	9,595,000	5,572,408	15,167,408	2.72
2000	71,342,820	27,326,824	44,015,996	10,640,000	6,121,644	16,761,644	2.63
2001	79,051,017	29,725,288	49,325,729	12,700,000	7,701,563	20,401,563	2.42
2002	77,671,344	29,891,043	47,780,301	13,420,000	6,985,440	20,405,440	2.34
2003	78,738,660	34,344,036	44,394,624	9,033,368	11,062,110	20,095,478	2.21
2004	77,856,380	41,513,901	36,342,479	8,969,249	11,124,590	20,093,839	1.81
2005	78,864,065	44,812,297	34,051,768	8,965,071	11,122,212	20,087,283	1.70

- (1) Gross revenues are defined by the bond ordinance of 1991 as "all fees, tolls, rates, rentals and charges to be levied and collected in connection with, and all other income and receipts of whatever kind of character derived by the City from the operation of the system or arising from the system." Accordingly, gross revenues include both operating revenues and interest revenues.
- (2) Direct operating expenses include all operating and maintenance expenses except depreciation.

The next highest annual debt service requirement is \$21,967,738 for fiscal year ending June 30, 2006

CITY OF COLUMBIA, SOUTH CAROLINA

**Revenue Bond Coverage
Parking Bonds**

**Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Gross Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Current FY Coverage (1)
				Principal	Interest	Total	
1996	\$ 5,063,131	\$ 1,351,404	\$ 3,711,727	\$ 525,000	\$ 596,569	\$ 1,121,569	3.31
1997	4,787,809	1,368,225	3,419,584	530,000	569,533	1,099,533	3.11
1998	4,685,036	1,541,722	3,143,314	540,000	540,999	1,080,999	2.91
1999	4,687,149	1,315,610	3,371,539	550,000	512,696	1,062,696	3.17
2000	4,724,509	1,385,585	3,338,924	560,000	483,091	1,043,091	3.20
2001	5,461,908	1,474,996	3,986,912	580,000	452,459	1,022,459	3.90
2002	5,462,605	1,555,459	3,907,146	605,000	411,524	1,016,524	3.84
2003	5,755,703	1,709,237	4,046,466	625,000	378,134	1,003,134	4.03
2004	5,630,996	1,892,203	3,738,793	630,000	345,948	975,948	3.83
2005	6,213,474	1,914,254	4,299,220	640,000	314,476	954,476	4.50

- (1) The Bond Ordinance earnings test prescribes that "The average of the aggregate of revenue paid into the Gross Revenue Fund for the two fiscal years immediately preceding the fiscal year in which additional bonds are proposed to be issued, as certified to by a Certified Public Accountant, shall be not less than one hundred thirty five per centum (135%) of the highest combined interest and principal requirements of any succeeding year of all bonds, for all additional bonds which may be then issued, and for all additional bonds then proposed to be issued."

The average earnings for the last two fiscal years is \$5,922,235 which would allow for a maximum debt service of \$4,386,841. The next highest debt service is 2005-2006 for \$931,699 leaving a margin of \$3,455,142.

CITY OF COLUMBIA, SOUTH CAROLINA

Demographic Statistics

**Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Population (1)	Per Capita Income (2)	School Enrollment (3)	Unemployment Rate (4)
1996	119,884	N/A	25,124	5.7%
1997	126,754	24,081	27,264	4.8%
1998	126,800	25,621	27,079	3.0%
1999	126,828	26,555	26,664	3.8%
2000	126,828	28,021	27,120	3.0%
2001	116,278	28,578	25,753	3.1%
2002	116,278	28,578	25,732	5.4%
2003	117,394	28,578	25,304	4.2%
2004	117,394	28,578	25,770	6.9%
2005	117,394	28,578	24,589	5.7%

- Sources: (1) Bureau of the Census and Current Planning Department of the City of Columbia.
- (2) Office of Research and Statistical Services, State of South Carolina Budget and Control Board, represents Columbia MSA.
- (3) Richland County School District One.
- (4) South Carolina Employment Security Commission. (Labor market information).

CITY OF COLUMBIA, SOUTH CAROLINA

Property Value, Construction and Bank Deposits

**Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Property Value (Estimated Actual Value)			Commercial Construction (1)		Residential Construction (1)		Bank Deposits (2)
	Commercial	Residential	Total	No. of Units	Value	No. of Units	Value	
1996	\$ 1,620,203,000	\$ 1,493,850,500	\$ 3,114,053,500	39	\$ 57,834,041	806	\$ 58,990,222	N/A
1997	1,721,097,833	1,506,850,250	3,227,948,083	40	54,054,300	1,104	58,622,627	3,224,203
1998	1,768,668,000	1,548,501,000	3,317,169,000	92	66,851,996	821	57,363,582	4,887,000
1999	1,712,281,500	1,633,754,250	3,346,035,750	52	54,695,000	1,019	93,140,242	5,020,000
2000	2,006,126,167	2,034,674,250	4,040,800,417	44	32,910,736	413	73,933,009	4,594,167
2001	2,124,236,983	2,023,482,500	4,147,719,483	40	99,802,533	481	76,001,939	4,920,952
2002	2,075,747,467	2,229,672,050	4,305,419,517	56	36,417,036	448	62,723,046	5,224,624
2003	4,077,296,267	2,243,842,000	6,321,138,267	18	32,943,996	352	58,318,234	5,247,678
2004	2,142,707,533	2,360,137,200	4,502,844,733	83	98,682,615	538	73,330,695	5,676,259
2005	2,285,978,500	2,355,197,750	4,641,176,250	24	34,381,801	522	95,558,797	7,090,704

(1) Inspection Division of the City of Columbia.

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

CITY OF COLUMBIA, SOUTH CAROLINA

Miscellaneous Statistics

(UNAUDITED)

Year Ended June 30, 2005

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Date of Incorporation			
Town			December 21, 1805
City			December 21, 1854
Form of Government			Council-Manager
Area - Square Miles			131.08
Miles of Streets and Sidewalks			
Streets			469.63
Sidewalks			299.43
Miles of Sanitary Sewers			932.11
Building Permits			
Permits issued			6,042
Estimated Cost - taxable property			357,321,090
Estimated Cost - nontaxable property			30,186,516
Fire Protection			
Number of stations			11
Number of employees			267
Police Protection			
Number of Stations			20
Authorized strength:			
Full-time sworn			328
Part-time civilians			3
Full-time civilians			44
Recreation			
Parks and playgrounds - acres			582.2
City owned parks and playgrounds			52
Municipal Water Plants			2
	<u>Inside</u>	<u>Outside</u>	
	<u>City Limits</u>	<u>City Limits</u>	<u>Total</u>
Number of Meters Billed			
Water	36,956	84,114	121,070
Sewer	30,854	31,987	62,841
Daily Average			
consumption billed			56,216,326
Plant Capacity			126,000,000
Miles of water mains			1,773.73
Number of fire hydrants			11,600

CITY OF COLUMBIA, SOUTH CAROLINA

Miscellaneous Statistics

(UNAUDITED)

Year Ended June 30, 2005

Election Data	
Registered voters in the City (District 1C)	47,192
Number of votes cast last election	8,251
Percentage of registered voters voting	15.89%
Traffic Signals and Street Lights	
Controlled traffic signal intersections	261
Four-way flashing signals at intersections	35
School flashing signals	75
Number of street lights	8,557
Education (Public School System Only)	
City school system(Richland County School District 1)	
Number of school buildings	51
Number of teachers	2,365
Number of students registerd	24,589
Average daily attendance:	
Elementary schools	10,699
Middle schools	5,760
High schools	7,056
Special schools	105
Universities and Colleges	
Number of locations	8
Number of students registered	35,093
City of Columbia Permanent Employees	
Full-time	1,958
Part-time	59

CITY OF COLUMBIA, SOUTH CAROLINA