

PRELIMINARY OFFICIAL STATEMENT DATED AS OF MARCH 12, 2012

**NEW ISSUE
Book-Entry Only**

Standard & Poor's: AA (Stable)

In the opinion of Thompson Coburn LLP, Bond Counsel, conditioned on continuing compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri. Also in the opinion of Bond Counsel, interest on the Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax on corporations and other taxpayers, including individuals. However, interest on the Bonds is included in a corporate taxpayer's adjusted current earnings for purposes of determining its federal alternative minimum tax liability. In the opinion of Bond Counsel, the Bonds are not "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code (relating to financial institution deductibility of interest expense). See "TAX MATTERS" herein.



\$9,185,000*
CITY OF COLUMBIA, MISSOURI
Sewerage System Revenue Bonds
Series 2012

Dated: Date of Delivery

Due: October 1, as shown below

The Series 2012 Bonds (the "Bonds") are issuable only as fully registered bonds, without coupons, and when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in denominations of \$5,000 or any integral multiple thereof. Purchasers of the Bonds ("Beneficial Owners") will not receive certificates representing their interest in the Bonds. So long as Cede & Co. is the registered owner of the Bonds as nominee of DTC, references herein to the bondowners or registered owners shall mean Cede & Co. as aforesaid and shall not mean the Beneficial Owners of the Bonds. Principal of, redemption premium, if any, and interest on the Bonds is payable to the registered owners of the Bonds at the maturity or redemption date thereof upon the surrender thereof at the principal corporate trust office of UMB Bank, N.A., St. Louis, Missouri (the "Paying Agent"). See Appendix E, "BOOK-ENTRY-ONLY SYSTEM." Interest on the Bonds will be payable on October 1 and April 1 of each year, beginning on October 1, 2012.

The Bonds are special limited obligations of the City, payable solely from the net income and revenues derived by the City from the operation of its sewerage system, after payment of costs of operation and maintenance. The Bonds do not constitute a general obligation of the City and do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision, limitation or restriction, and the taxing power of the City is not pledged to the payment of the Bonds or the interest thereon.

The Bonds are being issued for the purpose of i) providing funds to acquire, construct and equip extensions, improvements, additions and enlargements of the City's Sewer System (the "Sewer Project"); ii) making a deposit to the Debt Service Reserve Account; and iii) paying costs and expenses incident to the issuance of the Bonds.

This cover page contains information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued by the City, subject to the approval of legality by Thompson Coburn LLP, St. Louis, Missouri, Bond Counsel. It is expected that the Bonds will be available for delivery in St. Louis, Missouri, on or about March 29, 2012.

The date of this Official Statement is _____, 2012.

* Preliminary, subject to change.

This is a Preliminary Official Statement and the information contained herein are subject to completion, amendment or other changes without any notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such

\$9,185,000*
CITY OF COLUMBIA, MISSOURI
Sewerage System Revenue Bonds
Series 2012

MATURITY SCHEDULE

Serial Bonds

<u>Due</u> <u>October 1,</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate (%)</u>	<u>Yield (%)</u>	<u>CUSIP</u> <u>(Base: 198054)</u>
2012	\$295,000			
2013	295,000			
2014	300,000			
2015	300,000			
2016	300,000			
2017	305,000			
2018	310,000			
2019	315,000			
2020	320,000			
2021	325,000			
2022	330,000			
2023	340,000			
2024	350,000			
2025	360,000			
2026	370,000			
2027	380,000			
2028	390,000			
2029	400,000			
2030	415,000			
2031	425,000			
2032	440,000			
2033	455,000			
2034	470,000			
2035	490,000			
2036	505,000			

* Preliminary, subject to change.

CITY OF COLUMBIA, MISSOURI
701 East Broadway
Columbia, Missouri 65201
(573) 874-7111

ELECTED OFFICIALS

Bob McDavid, Mayor
Fred Schmidt, Council Member
Jason Thornhill, Council Member
Gary Kespohl, Council Member
Daryl Dudley, Council Member
Helen Anthony, Council Member
Barbara Hoppe, Council Member

APPOINTED OFFICIALS

Mike Matthes, City Manager
John Blattel, Finance Director
John Glascock, Director of Public Works

CITY COUNSELOR

Fred Boeckmann, Esq.
Columbia, Missouri

BOND COUNSEL

Thompson Coburn LLP
St. Louis, Missouri

CO-FINANCIAL ADVISORS

Stifel, Nicolaus & Company, Incorporated
St. Louis, Missouri

Columbia Capital Management, LLC
Overland Park, Kansas

PAYING AGENT

UMB Bank, N.A.
St. Louis, Missouri

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY STATE SECURITIES OR "BLUE SKY" LAWS. THE BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION.

No dealer, broker, salesman or other person has been authorized by the City or the Underwriters to give any information or to make any representations with respect to the Bonds or offered hereby other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds offered hereby any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the City and other sources that are believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

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OFFICIAL STATEMENT

\$9,185,000*
CITY OF COLUMBIA, MISSOURI
Sewerage System Revenue Bonds
Series 2012

INTRODUCTION

This introduction is only a brief description and summary of certain information contained in this Official Statement and is qualified in its entirety by reference to more complete and detailed information in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement.

Purpose of the Official Statement

This Official Statement contains descriptions of, among other matters, the Sewerage System Revenue Bonds, Series 2012 (the “Bonds”) of the City of Columbia, Missouri (the “City”), and the ordinance of the City authorizing the Bonds (the “Ordinance”). Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Ordinance are qualified in their entirety by reference to the definitive Ordinance, copies of which may be obtained from the office of the Finance Director of the City.

The City

The City is a constitutional charter city and political subdivision of the State of Missouri. The City owns and operates a revenue-producing sewerage system serving the City and its inhabitants. See Appendix A for information concerning the City.

The Bonds

The offering consists of \$9,185,000* principal amount of Sewerage System Revenue Bonds, Series 2012. See the caption “THE BONDS” herein.

Purpose of the Bonds

The proceeds of the Bonds will be used for the purpose of i) providing funds to acquire, construct and equip extensions, improvements, additions and enlargements of the City’s Sewer System (the “Sewer Project”); ii) making a deposit to the Debt Service Reserve Account; and iii) paying costs and expenses incident to the issuance of the Bonds. See the caption “THE BONDS - Purpose of the Bonds” herein.

Authority for the Bonds

The Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, including particularly Article VI, Section 27 of the Missouri Constitution, as amended, and Chapter 250 of the Revised Statutes of Missouri, as amended (the “Act”), and an Ordinance adopted by the governing body of the city (the “Ordinance”).

* *Preliminary, subject to change.*

Other Outstanding Bonds Payable

In addition to the Bonds, the City has outstanding 12 series of parity sewerage system revenue bonds (including first lien state revolving loans and special obligation bonds) in the aggregate outstanding principal amount of \$56,562,553 payable from the revenues of the System as described in this Official Statement. The City has the right under the Ordinance to issue additional bonds on a parity with the Bonds payable for the same sources and secured by the same revenues as the Bonds, but only in accordance with and subject to the terms and conditions set forth in the Ordinance.

Bondholders' Risks

Payment of the principal of and interest on the Bonds is dependent on revenues to be derived by the City from the operation of the System. Certain risks inherent in the production of such revenues are discussed herein.

Security and Source of Payment

Limited Obligations. The Bonds will be limited obligations, payable solely from the revenues derived from the System. The taxing power of the City is not pledged to the payment of the principal of the Bonds or the interest thereon. See the caption "SECURITY AND SOURCES OF PAYMENT." The obligations of the City to make payments into the Debt Service Account, the Debt Service Reserve Account and any other obligations of the City to make payments under this Ordinance do not constitute a general obligation or indebtedness of the City for which the City is obligated to levy or pledge any form of taxation, or for which the City has levied or pledged any form of taxation and shall not be construed to be a debt of the City in contravention of any applicable constitutional, statutory or charter limitation or requirement. The City does not pledge its full faith and credit and is not obligated to levy taxes or resort to any other moneys of the City to pay the principal and interest on the Bonds. See the caption "THE BONDS - Security and Source of Payment for the Bonds."

Rate Covenant. In the Ordinance authorizing the Bonds, the City will, in accordance with applicable legal requirements, covenant to fix, maintain and collect such rates, fees or charges for use and services furnished by and through the System sufficient to pay the costs of operation and maintenance of the System, pay the principal of and interest on all sewerage system revenue bonds issued by the City and create and maintain reasonable reserve accounts. See "Appendix B - DRAFT BOND ORDINANCE."

THE BONDS

Authorization of the Bonds

The Bonds will be issuable in the form of fully registered bonds without coupons, in denominations of \$5,000 or any integral multiple thereof. The Bonds will be issued in the principal amount of \$9,185,000*, will be dated the date of delivery and will mature serially in the years and in the principal amounts set forth on the inside cover of this Official Statement. The Bonds will bear interest at the rates per annum set forth on the inside cover of this Official Statement, which interest will be payable semiannually on April 1 and October 1, in each year, beginning on October 1, 2012. Principal will be payable upon presentation and surrender of the Bonds by the registered owners thereof at UMB Bank, N.A., St. Louis, Missouri, (the "Paying Agent"). Interest will be payable by check or draft mailed by the Paying Agent to the persons who are the Registered Owners of the Bonds as of the close of business on the Record Date.

* Preliminary, subject to change.

Description of the Bonds

Each series of the Bonds shall consist of fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof, numbered from R-1 consecutively upward. The Bonds shall be substantially in the form set forth in the Ordinance, and shall be subject to registration, transfer and exchange as provided in the Ordinance. The Bonds shall bear interest at the above-specified rates (computed on the basis of a 360-day year consisting of twelve 30-day months) from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on April 1 and October 1 in each year, beginning on October 1, 2012.

Redemption

Optional Redemption of the Bonds.

At the option of the City, the Bonds may be subject to redemption and payment prior to maturity, on October 1, 2020 and thereafter in whole at any time or in part on any interest payment date in any order of maturity selected by the City and by lot in multiples of \$5,000 within a maturity, at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds, nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and payment for any Bonds.

PLAN OF FINANCE

The Projects

The proceeds of the Bonds will be used for the purpose of i) providing funds to acquire, construct and equip extensions, improvements, additions and enlargements of the City's Sewer System (the "Sewer Project"); ii) making a deposit to the Debt Service Reserve Account; and iii) paying costs and expenses incident to the issuance of the Bonds.

The Sewer Project

The Sewer Project consists of a series of discrete projects, as described below.

PCCE #3 – Stewart & Medavista Private Common Collector Elimination Project: This project involves replacing existing private common collector with new public sewers in the area from Stewart Road and Medavista Drive between West Boulevard and Spring Valley Road. There are approximately 55 properties currently served by the existing private common collector sewer that will benefit from this project.

PCCE #8 – Thilly & Lathrop Private Common Collector Elimination Project: This project involves replacing existing private common collector with new public sewers in the area from Stewart Road south to the trail and from Edgewood Avenue west to Garth Avenue on east. There are approximately 77 parcels currently served by the existing private common collector sewer that will benefit from this project.

PCCE #15 – Anderson Avenue Private Common Collector Elimination Project: This project involves replacing existing private common collector with new public sewers in the area from Broadway to Ash street. There are approximately 20 properties currently served by the existing private common collector sewer that

will receive new sewer main and 11 properties that will benefit from new connections to the existing sewer main with this project.

PCCE #19 – Sunset Lane Private Common Collector Elimination Project: This project involves replacing existing private common collector with new public sewers in the area of W. Broadway south to the homes fronting Sunset on the north and south sides of the street, and from Hillside Drive to West Boulevard. There are approximately 40 properties currently served by the existing private common collector sewer that will benefit from this project.

Hominy Branch Outfall Relief Sewer: This project involves constructing approximately 11,500 feet gravity sewer that will parallel the existing gravity sewer for the middle portion of the Hominy Branch Outfall Sewer. The new sewer will provide additional capacity for the middle portion of the Hominy Branch drainage basin. The existing sewer currently becomes overloaded during wet weather events.

100-Acre Point Sewer Projects: The City’s sewer utility has a policy that it will construct trunk sewers up to the 100-acre point of a watershed. This project provides the necessary funds for constructing future 100-acre point sewer projects in developing drainage basins to respond to the needs created by development in the service area. These projects are often constructed to eliminate existing wastewater treatment facilities or prevent new wastewater treatment facilities from being constructed.

Private Common Collector Elimination: A private common collector sewer is a sewer line that is not publicly owned or maintained that serves two or more properties. It is estimated that there are approximately 10 miles of private common collector sewers located in Columbia. In most cases, private common collector sewers were not constructed to City standards and receive very little preventative maintenance. Private common collectors can be significant sources of inflow and infiltration into the public sewer system. Private common collectors can be eliminated through the City’s sewer district program. This project will provide the necessary moneys the annual program requires to fund the replacement of private common collector sewers.

Sewer Main and Manhole Repair: The City of Columbia has approximately 680 miles of sanitary sewer lines and 16,500 manholes in its sanitary sewer collection system. This project will provide the necessary funds for this annual program to replace, repair or rehabilitate existing sanitary sewer mains and manholes in the sanitary sewer collection system that are in poor physical condition. This work will reduce the amount of inflow and infiltration into the City’s sanitary sewer collection system and help keep the system in proper operating condition.

[Remainder of page left blank intentionally.]

SOURCES AND USES OF FUNDS

Application of Bond Proceeds

A portion of the proceeds of the Bonds will be deposited in a Project Account pursuant to the Ordinance for the purpose of funding the Sewer Project. The following table itemizes the sources of funds, including the proceeds from the sale of the Bonds, and how such funds are expected to be used:

Sources and Uses of Funds

Sources of Funds:

Proceeds of the Bonds	\$
Total	\$

Use of Funds:

Deposit to Sewer Project Account ¹	\$
Underwriters' Discount	\$
Deposit to Debt Service Reserve Account	\$
Total	\$

¹ Deposits to Sewer Project Account includes costs of issuance

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Source of Payment

The Bonds are limited obligations, payable solely from the revenues derived from the System. The taxing power of the City is not pledged to the payment of the principal of the Bonds or the interest thereon. The obligations of the City to make payments into the Debt Service Account, the Debt Service Reserve Account and any other obligations of the City to make payments under this Ordinance do not constitute a general obligation or indebtedness of the City for which the City is obligated to levy or pledge any form of taxation, or for which the City has levied or pledged any form of taxation and shall not be construed to be a debt of the City in contravention of any applicable constitutional, statutory or charter limitation or requirement. The City does not pledge its full faith and credit and is not obligated to levy taxes or resort to any other moneys of the City to pay the principal and interest on the Bonds.

Sewerage System Revenues

At an April 2008 election, the voters of the City authorized the issuance of Sanitary Sewerage System Revenue bonds in the principal amount of \$77,000,000 for the purpose of providing funds for constructing, improving and extending the City-owned sanitary sewer utility, the cost of operation and maintenance of said sanitary sewer system and the principal of and interest on said revenue bonds to be payable solely from the revenues derived by the City from the operation of its sanitary sewer system. After the issuance of the Bonds, the City will have \$7,601,000* of remaining authorization.

* Preliminary, subject to change.

The City is authorized to appropriate and apply net Sewerage System Revenues to make payments into the Debt Service Account and the Debt Service Reserve Account with respect to the Bonds on a parity with the outstanding Sewerage System Revenue Bonds of the City. The City is obligated to fix, establish, maintain and collect such rates, fees and charges for the use of and services furnished by or through its Sewer System and to (i) pay costs of operating and maintaining the system; (ii) pay principal and interest on any Sewerage System Revenue bonds and the Bonds; and (iii) provide adequate and reasonable reserves for the payment of any sanitary Sewerage System Revenue bonds of the City and the Bonds and the interest thereon. See “THE SEWER UTILITY— Historical Debt Service Coverage” herein.

Debt Service Reserve Account

Pursuant to the Ordinance, the City covenants and agrees to establish a Debt Service Reserve Account for the Bonds. The City shall deposit to the Debt Service Reserve Account from funds available to the City and from proceeds of the Bonds the amounts required so that such Account shall aggregate the Debt Service Reserve Requirement as defined in the Ordinance. Initially such deposit shall be \$526,372.50.*

Additional Bonds

The City has the right under the Ordinance to issue additional bonds on a parity with the Bonds payable from the same sources and secured by the same revenues as the Bonds, but only in accordance with and subject to the terms and conditions set forth in the Ordinance. See “DRAFT BOND ORDINANCE” in Appendix B hereto.

BONDOWNERS’ RISKS

The following is a discussion of certain risks that could affect payments to be made with respect to the Bonds. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Bonds should analyze carefully the information contained in this Official Statement, including the Appendices hereto, and additional information in the form of the complete documents summarized herein and in the Appendices hereto, copies of which are available as described herein.

Factors Relating to Security for the Bonds

Enforcement of the remedies under the Ordinance may be limited or restricted by state and federal laws relating to bankruptcy, fraudulent conveyances, and rights of creditors and by application of general principles of equity affecting the enforcement of creditors’ rights and liens securing such rights, and the exercise of judicial authority by state or federal courts, and may be subject to discretion and delay in the event of litigation or statutory remedy procedures. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings and decisions affecting remedies, and by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors. In the event of a default, no assurance can be given that the exercise of remedies provided in the Ordinance will provide proceeds sufficient to make timely payments of principal of, premium, if any, and interest on the Bonds.

No Mortgage of the Sewer Project

Payment of the principal of and interest on the Bonds is neither secured by any deed of trust, mortgage or other lien on the Sewer Project, nor any property of the City.

* *Preliminary, subject to change*

Certain Matters Relating to Enforceability

The remedies available upon a default under the Ordinance, will, in many respects, be dependent upon judicial actions, which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the United States Bankruptcy Code, the remedies specified in the Ordinance may not be readily available or may be limited. The various legal opinions to be delivered in connection with the issuance of the Bonds will be expressly subject to the qualification that the enforceability of the Ordinance is limited by bankruptcy, reorganization, insolvency, moratorium and other similar laws affecting the rights of creditors and by the exercise of judicial discretion in appropriate cases.

The Hancock Amendment

An amendment to the Missouri Constitution limiting taxation and government spending was approved by Missouri voters on November 4, 1980. This amendment limits the ability of the City to impose new or increased taxes to provide funding for the payment of the Bonds, or other governmental purposes of the City, without voter approval. The amendment (popularly known as the Hancock Amendment) limits the rate of increase and the total amount of taxes that may be imposed in any Fiscal Year, and the limit may not be exceeded without voter approval. Provisions are included in the amendment for rolling back property tax rates to produce an amount of revenue equal to that of the previous year if the definition of tax base is changed or if property is reassessed. The tax levy on the assessed valuation of new construction is exempt from this limitation. The limitation on local governmental units does not apply to taxes imposed for the payment of principal of and interest on general obligation bonds approved by the requisite percentage of voters.

The Hancock Amendment also requires political subdivisions of the State to obtain voter approval in order to increase any “*tax, license or fee.*” The precise meaning and application of the phrase “*tax, license or fee*” is unclear, but decisions of the Missouri Supreme Court have indicated that it does not apply to traditionally set user fees. The limitations imposed by the Hancock Amendment restrict the City’s ability to increase many but not all taxes, licenses and certain fees without obtaining voter approval.

Risk of Taxability of the Interest on the Bonds

For information with respect to events that may require interest on the Bonds be included in gross income for purposes of federal income taxation and not be exempt from income taxation by the State of Missouri, see “TAX MATTERS” herein. Furthermore, the Ordinance does not require the City to redeem the Bonds or to pay any additional interest or penalty in the event that interest on the Bonds becomes taxable.

Risk of Audit of the Bonds

The Internal Revenue Service (the “Service”) has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations should be included in gross income for federal income tax purposes. No assurance can be given that the Service will not commence an audit of the Bonds resulting in a negative determination with respect to the Bonds causing the loss to the owners thereof of the tax exemption of the interest on the Bonds for federal and State of Missouri income tax purposes. Owners of the Bonds are advised that, if an audit of the Bonds were commenced, in accordance with its current published procedures, the Service is likely to treat the City as the taxpayer, and the owners of the Bonds may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

Regulation

As described below (“THE SEWER UTILITY--Environmental and Regulatory Matters”) the City’s Sewerage System is subject to regulation by the United States Environmental Protection Agency and the Missouri Department of Natural Resources. Changes in future regulation may increase the City’s capital investment requirements and the costs of operating the Sewerage System. Future increased borrowing and/or additional operating expenses may reduce net Sewerage System Revenues and debt service coverage.

THE SEWER UTILITY

General

The City Council is responsible for all basic policy design relating to the Sewer Utility including approval of the operating budget, short and long-term capital budgets and, subject to voter approval, bond issues. In addition, the City Council has sole authority to establish sewer rates. The operation of the Sewer Utility is managed by the Director of Public Works Department who is appointed by and reports to the City Manager. The current Director is John Glascock, who was appointed to that position in May 2006.



History

The Sewer Utility is charged with the responsibility to protect the public health and to ensure minimal impact upon the aquatic environment by adequate collection and treatment of wastewater within a regional area including the City of Columbia. This is achieved by engineering review of proposed and existing facilities and through effective and economical operation and maintenance of collection and treatment systems.

The City established the sewer system in 1920. Previously sewer districts had been created by City ordinance in 1901, whereby sanitary sewer tax billing procedures were used to pay the related expenses of constructing new sewer facilities. In 1954 the City converted the district sewer system and other sewer facilities to a self-supporting City-owned sewer utility.

During 1969, annexation doubled the land area within the city limits and approximately doubled the number of treatment facilities. Certain of these facilities were replaced by an extensive trunk sewer expansion program. During the period from 1975 to 1977, approximately twenty (20) miles of sewer lines were constructed which eliminated a need for more than fifty (50) public and private lagoons, package treatment plants and pumping stations. From 1977 to 1986, an additional 100 public and private lagoons, small treatment plants and pump stations were eliminated by the construction of 100 miles of sanitary sewers. Presently, the sewer utility operates and maintains twenty-four (24) pumping stations and two wastewater treatment facilities.

Infrastructure

The collection system consists of approximately 680 miles of gravity sewer lines varying in size from 6" to 72". The treatment plant is a complete mix activated sludge type coupled with four constructed wetland units totaling 130 acres with cattails being the predominant vegetation. Effluent from four constructed wetland units is discharged to the Eagle Bluffs National Wetland area where it is used as a partial water source for their various management alternatives.

Major and Minor Existing Treatment Facilities

Facility	Initial Year in Service	Design Flow (MGD)	Average Flow (MGD)	Peak Flow (MGD)
Columbia Regional WWTP	1983	20.30	16.00	40.00
Columbia Regional Airport	1976	0.02	0.010	n/a
Total Flows (MGD)		20.32	16.01	40.00

Condition of Infrastructure

The overall health and condition of Columbia's sanitary sewer system is good. There are presently 13 full time sanitary sewer maintenance personnel who operate and maintain approximately 680 miles of gravity sewer line and approximately 16,500 manholes. The sewer utility's routine cleaning and inspection schedule calls for sewer lines in which an obstruction may result in a backup into a residence or business to be cleaned or inspected once every five years and all other lines shall be cleaned or inspected once every 10 years.

The City has begun a City wide inflow and infiltration reduction program aimed at reducing inflow and infiltration from public sources (sewers and manholes) as well as private sources (laterals and lateral connections, sump pumps, down spouts etc.). As part of this program the City utilizes an annual contract to rehabilitate public sewers. Over the past 10 years the City has rehabilitated approximately 105,000 feet of gravity sewer.

The sewer utility also has an active program to inspect and educate food service establishments for compliance with all applicable codes to prevent the discharge of fats, oil and grease into the sewer system. This program has greatly reduced the amount of stoppages in the sewer system related to fats, oils and greases.

[Remainder of page left blank intentionally.]

Service Area and Customer Composition

The sewer utility provides service to substantially all the residents of the City and approximately 1,609 customers outside the City limits. The following table summarizes the customer mix of the sewer utility at September 30, 2011:

Classes and Locations of Customers

	<u>Customers Inside the City</u>	<u>Customers Outside the City</u>	<u>Total Customers</u>	<u>Percentage of Customers by Class</u>
Residential	38,751	1,609	40,360	90.2%
Commercial & Industrial	4,156	24	4,180	9.4
University of Missouri-Columbia	185	0	185	0.4
Total	43,092	1,633	44,725	100.0%

Sewer Customer Information

	<u>Monthly Water Usage*</u>	<u>Percentage of Usage by Class</u>	<u>Monthly Revenue</u>	<u>Percentage of Revenue by Class</u>
Residential	274,214	59.2%	\$670,417	58.5%
Commercial & Industrial	146,991	31.7	372,875	32.5
University of Missouri-Columbia**	42,007	9.1	102,527	9.0
Total	463,212	100.0%	\$1,145,819	100.0%

* In cubic feet.

** System's largest customer.

Rates

The City Council is the sole authority for setting rates applicable to the sewer utility. The Bond Ordinance provides that the City will fix, maintain and establish such rates, fees and charges for the use and service furnished by the sewer utility which will insure that revenues are sufficient to pay all costs of operation and maintenance necessary to operate the sewer utility, to pay principal and interest on the outstanding bonds as they become due and to provide reasonable and adequate reserves for the payment of the Bonds and the interest thereon and for the protection of the System as provided in the Bond Ordinance. The City agrees that so long as any of the Bonds remain outstanding it will not issue any additional bonds or other obligations payable out of revenues of the sewer utility which are on a parity with this series unless revenues are sufficient to pay an amount equal to the expense of operation and maintenance of the sewer utility incurred during the preceding and succeeding fiscal years as determined and attested to by the City's consulting engineer, plus 110% of the maximum amount of principal and interest which shall become due in any fiscal year for all revenue bonds of the sewer utility.

City management reviews the sewer utility rates and charges annually to determine if any changes will be necessary to assure that adequate revenues will be available for the sewer utility.

In 2007 the City engaged the firm of Virchow Krause & Company, CPA and consultants, to perform a cost-of-service study for the Sewer Utility Fund and to design new rates. The results of this study revealed that for equitable recovery of costs attributable to customer demands on the sewer utility, a sewerage service and quantity charge rate increase was necessary. In addition, an increase in the sewer connection fees for development was necessary. Current rates are \$6.35/month plus \$2.10 per hundred cubic feet of water per month (based on winter quarter average water usage). A typical monthly residential sewer bill is \$21.05, which is lower than other sewer utilities in the region.

For those customers who reside outside the corporate limits, a factor of 1.5 times the existing rate schedule is applied as authorized by Missouri State Statute (Section 150.190 R.S. Mo. 1969). As a basis for estimating sewerage flow, the City relies on an average water usage by customers for a three-month period of January, February and March of each year. These averages are then used in calculating monthly sewer bills consistent with existing rates. All customers are billed on a monthly basis except the University of Missouri-Columbia which is billed quarterly.

Utility bills are considered delinquent if not paid on or before 20 days after billing and service may be discontinued if payment is not received 5 days after the delinquent date. Utility accounts are charged off annually to bad debt expense in accordance with the direct write-off method. In the past five years the actual amount written off was less than 0.56% per annum of billed revenues of the sewer utility.

Sewerage System Rates (effective October 1, 2011)

Residential and Commercial:	
Service Charge.....	\$6.35 per month
All Volume	\$2.10 per 100 cu. ft.

Environmental and Regulatory Matters

Federal and State authority’s environmental regulations and standards relating primarily to the discharge of wastewater have been followed and will continue to be complied with following the completion of the construction of the sewer improvements.

The sewer utility is subject to the regulations issued by the United States Environmental Protection Agency (EPA) in accordance with the Federal Water Pollution Control Act of 1972 (PL 92-500) and Amendments. The existing facilities have National Pollutant Discharge Elimination System Permits. The Missouri Department of Natural Resources receives monthly monitoring reports from the City’s Wastewater Treatment Facilities in compliance with Federal and State standards and regulations.

Capital Improvement Program

The City’s long-range capital improvement program for the sewer system is summarized in the table below:

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Routine Capital Spending	\$1,970,000	\$1,000,000	\$1,000,000	\$1,000,000
Major Capital Spending				
Pay-as-you-Go (Cash)	563,350	977,000	153,000	0
Debt Financed	24,903,250	335,000	491,000	9,408,050
Total Sewer System Capital Program	<u>\$27,436,600</u>	<u>\$2,312,000</u>	<u>\$1,644,000</u>	<u>\$10,408,050</u>

Historical Debt Service Coverage

The following table summarizes the operation of the Sewerage System Fund based on the City’s comprehensive annual financial reports for Fiscal Years 2008 through 2011.

Sewerage System Fund
Fiscal Years Ended September 30
(amounts expressed in thousands)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Operating Revenue (incl. interest revs)	\$10,334	\$11,646	\$13,537	\$15,430
Operating & Maintenance Expenses ⁽¹⁾	6,597	7,637	7,577	7,850
Net Available for Debt Service	<u>\$3,737</u>	<u>\$4,009</u>	<u>\$5,960</u>	<u>\$7,580</u>
Annual Debt Service Req. on System Revenue Bonds	\$2,930	\$3,022	\$3,326	\$3,786
Coverage	<u>128%</u>	<u>133%</u>	<u>179%</u>	<u>200%</u>

(1) Excludes depreciation

Projected Debt Service Coverage

Based on the sewerage system rates currently in effect, the City has developed the following Summary table.

Summary of Projected Annual Debt Service Coverage
Fiscal Years Ended September 30
(amounts expressed in thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Operating Revenue (incl. interest revs)	\$17,154	\$18,453	\$19,739	\$21,254
Operating & Maintenance Expenses ⁽¹⁾	10,493	11,017	11,568	12,147
Net Available for Debt Service	\$6,661	\$7,436	\$8,171	\$9,107
Annual Debt Service Req. on System Revenue Bonds ⁽²⁾	\$4,439	\$6,189	\$7,345	\$7,332
Coverage	150%	120%	111%	124%

(1) Assumes 5.0% annual increase in operating and maintenance expense, excludes depreciation expenses and an 8.0% increase in operating revenues.

(2) Includes debt service on the Bonds, as well as first lien obligations under special obligation bonds and SRF loans

Operating revenues increased significantly between 2008 and 2009 due to a 15% sewer rate increase in 2009.

The projections are based on certain assumptions that the City believes to be reasonable, but that may or may not prove to be correct. No warranty is made that such projections will be realized.

The achievement of any financial forecasts will be affected by economic conditions and other factors and is dependent upon the occurrence of future events that cannot be assured. Therefore, the actual results achieved may vary from the projections and such variations could be material.

DEBT SERVICE

Previous Defaults

The City has never defaulted on the payment of its debt obligations.

Debt Service Requirements

The following table shows the debt service on all of the City's Sewerage System Revenue Bond debt following the issuance of the Bonds.

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Fiscal Year Ending September 30	Debt Service on Rev. Bonds and SRF Loans	Debt Service on Special Ob. Bonds†	Bonds Being Offered		Total Debt Service
			Principal	Interest	
2012	\$3,608,868	\$830,209			
2013	4,838,417	830,904			
2014	5,990,849	830,126			
2015	5,977,980	831,341			
2016	5,963,498	829,831			
2017	5,947,075	824,136			
2018	5,938,043	829,273			
2019	5,221,553	833,056			
2020	5,202,981	830,284			
2021	4,884,629	835,829			
2022	4,720,940	624,756			
2023	4,725,533	627,338			
2024	4,608,216	623,963			
2025	4,495,919	624,266			
2026	4,515,522	618,234			
2027	5,141,231	0			
2028	5,143,347	0			
2029	5,142,275	0			
2030	5,137,619	0			
2031	5,129,767	0			
2032	5,124,868	0			
2033	1,422,890	0			
2034	1,398,274	0			
2035	1,370,033	0			
2036	0	0			
2037	0	0			
	<u>\$111,650,327</u>	<u>\$11,423,546</u>			

† Bonds issued in 2001 and 2006 as Special Obligations of the City but treated as parity obligations of the sewer system.

CONTINUING DISCLOSURE INFORMATION

The City has covenanted in the Ordinance and in the Continuing Disclosure Agreement to provide certain financial information and operating data relating to the City and notices of material events to each nationally recognized municipal securities information repository, in compliance with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission. A summary of the Continuing Disclosure Agreement is included as Appendix C to this Official Statement. The City has not defaulted in its obligations to disclose information pursuant to Rule 15c2-12.

LEGAL MATTERS

Litigation

There is no litigation pending or threatened that, in the opinion of the City Counselor, would have a material adverse effect on the operations or financial condition of the City. There is not now pending against the City any litigation restraining or enjoining the issuance or delivery of the Bonds, questioning or affecting the validity of the Bonds or the proceedings and authority under which they are to be issued or questioning or affecting the obligations of the City under the Ordinance.

Legal Proceedings

All matters incident to the authorization and issuance by the City of the Bonds are subject to the approving opinion of Thompson Coburn LLP, St. Louis, Missouri, Bond Counsel. Bond Counsel has not reviewed this Official Statement except for the matters appearing in the sections of this Official Statement captioned “INTRODUCTION,” “THE BONDS,” “LEGAL MATTERS -- Legal Proceedings,” and “TAX MATTERS” herein and, accordingly expresses no opinion as to the accuracy or sufficiency thereof except for the matters appearing in such sections.

TAX MATTERS

Tax Exemption

The opinion of Thompson Coburn LLP, Bond Counsel, to be delivered upon the issuance of the Bonds will state that, under existing law, interest on the Bonds (including any original issue discount properly allocable to an owner thereof as discussed in the portion of this Official Statement captioned “**TAX MATTERS--Original Issue Discount**”) is excluded from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri.

Bond Counsel’s opinion will be subject to the condition that the City comply with all requirements of the Code that must be satisfied in order that interest on the Bonds (including any original issue discount properly allocable to an owner thereof) be, and continue to be, excluded from gross income for federal income tax purposes and exempt from income taxation by the State of Missouri. The City is to covenant in the Tax Compliance Agreement to comply with all such requirements. In addition, Bond Counsel will rely on representations by the City and others, with respect to matters solely within their knowledge, which Bond Counsel has not independently verified. Failure to comply with the requirements of the Code (including due to the foregoing representations being determined to be inaccurate or incomplete) may cause interest on the Bonds (including any original issue discount properly allocable to an owner thereof) to be included in gross income for federal income tax purposes and not be exempt from income taxation by the State of Missouri retroactive to the date of issuance of the Bonds. Bond Counsel has not been retained to monitor compliance with requirements such as described above subsequent to the issuance of the Bonds. In addition, the Ordinance does not require the City to redeem the Bonds or to pay any additional interest or penalty in the event that interest on the Bonds becomes taxable.

In addition, the opinion of Bond Counsel will state that, under existing law, interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is not a specific item of tax preference for purposes of the federal alternative minimum tax on corporations and other taxpayers, including individuals. However, interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is included in a corporate taxpayer’s adjusted current earnings for purposes of determining its federal alternative minimum tax liability. Furthermore, the opinion of Bond Counsel will state that, under existing law, the Bonds are not “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code (relating to financial institution deductibility of interest expense).

Except as stated above, the opinion of Bond Counsel will express no opinion as to any federal, state or local tax consequences arising with respect to the Bonds.

Bond Counsel’s opinions are based on Bond Counsel’s knowledge of facts as of the date thereof. Further, Bond Counsel’s opinions are based on existing legal authorities, cover certain matters not directly addressed by such authorities and represent Bond Counsel’s legal judgment as to the proper treatment of the Bonds for federal and State of Missouri income tax purposes. Such opinions are not a guarantee of result and are not binding on the Service or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the City, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the Service. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel’s attention or to reflect any changes in any law that may thereafter occur.

Original Issue Discount

The initial public offering prices of certain maturities of the Bonds, as set forth on the inside cover page of this Official Statement, may be less than the respective stated redemption prices at maturity (such Bonds are hereinafter referred to as “OID Bonds”). An amount equal to the difference between the initial public offering price of an OID Series 2012 Bond (assuming a substantial amount of such maturity is first sold at that price) and its stated redemption price at maturity constitutes original issue discount. The amount of original issue discount properly accruable with respect to an OID Series 2012 Bond is excluded from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri (subject to the condition of compliance by the City with the requirements of the Code). The amount of properly accruable original issue discount during the period that the owner holds an OID Series 2012 Bond is added to the owner’s tax basis for purposes of determining gain or loss upon maturity, redemption, prior sale or other disposition of such OID Series 2012 Bond.

Under Section 1288 of the Code, original issue discount on tax-exempt Bonds accrues on a compound basis. The amount of original issue discount that accrues during any accrual period to an owner of an OID Series 2012 Bond who purchases such OID Series 2012 Bond in this initial offering at the initial offering price generally equals (i) the issue price of such OID Series 2012 Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such OID Series 2012 Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest on such OID Series 2012 Bond payable during, or otherwise allocable to, such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period. Each owner of an OID Series 2012 Bond may select accrual periods that may vary in length over the term of the OID Series 2012 Bond, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the final day of an accrual period or on the first day of an accrual period.

Original issue discount on an OID Series 2012 Bond as described above is not a specific item of tax preference for purposes of the federal alternative minimum tax on corporations and other taxpayers, including individuals. However, the portion of the original issue discount that accrues in each year to an owner of an OID Series 2012 Bond that is a corporation will be included in adjusted current earnings for purposes of determining the corporation’s federal alternative minimum tax liability. Consequently, corporate owners of any OID Bonds should be aware that the accrual of original issue discount in each year may result in federal alternative minimum tax liability, although the owners of such OID Bonds have not received cash attributable to the original issue discount in such year.

Owners of OID Bonds (and particularly those not purchasing in this initial offering at the initial offering prices) should consult their own tax advisors with respect to the determination and treatment of original issue discount for federal and State of Missouri income tax purposes and with respect to other federal, state, local and foreign tax consequences of owning or disposing of such OID Bonds.

Premium

An amount equal to the excess of the purchase price of a Series 2012 Bond over its stated redemption price at maturity constitutes amortizable Series 2012 Bond premium on such Series 2012 Bond. A purchaser of a Series 2012 Bond generally must amortize any premium over such Series 2012 Bond’s term using constant yield principles, based on the purchaser’s yield on the Series 2012 Bond to maturity; provided that the premium must be amortized over the period to a call date with respect to the Series 2012 Bond, based on the purchaser’s yield on the Series 2012 Bond to such call date, if the call by the City on such date would minimize the purchaser’s yield on the Series 2012 Bond. As premium is amortized, the purchaser’s basis in such Series 2012 Bond (and the amount of tax-exempt stated interest received) will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal and State of Missouri income tax purposes upon a sale or disposition of such Series 2012 Bond prior to its maturity. Even though the purchaser’s basis is reduced, no federal or State of Missouri income tax deduction is allowed.

Owners of Bonds who purchase at a premium (whether at the time of initial issuance or subsequent thereto) should consult their own tax advisors with respect to the determination and treatment of premium for federal and State of Missouri income tax purposes and with respect to other federal, state, local and foreign tax consequences of owning or disposing of such Bonds.

Market Discount

If a Series 2012 Bond is purchased at any time for a price that is less than the Series 2012 Bond's stated redemption price at maturity, in the case of a Series 2012 Bond other than OID Series 2012 Bond, (or, its revised issue price, in the case of an OID Series 2012 Bond, defined as the sum of the issue price of the OID Series 2012 Bond and the aggregate amount of the original issue discount previously accrued thereon), the purchaser will be treated as having purchased such Series 2012 Bond at a "market discount," unless such market discount is less than a statutory de minimis amount). Under the market discount rules, an owner of a Series 2012 Bond will be required to treat any principal payment (or, in the case of an OID Series 2012 Bond, any payment that does not constitute qualified stated interest) on, or any gain realized on the sale, exchange, retirement or other disposition (including certain nontaxable dispositions such as gifts) of, such Series 2012 Bond as ordinary income to the extent of the market discount which has previously not been included in gross income and is treated as having accrued on such Series 2012 Bond at the time of such payment or disposition. An owner of a Series 2012 Bond may instead elect to include market discount in gross income each taxable year as it accrues with respect to all debt instruments (including a Series 2012 Bond) acquired in the taxable year for which the election is made. Such election would apply to the taxable year for which it is made and for all subsequent taxable years and could be revoked only with the consent of the Service. The accrued market discount on a Series 2012 Bond is generally determined on a ratable basis, unless the owner of the Series 2012 Bond elects with respect to such Series 2012 Bond to determine accrued market discount under a constant yield method similar to that applicable to original issue discount.

The applicability of the market discount rules may adversely affect the liquidity or secondary market price of a Series 2012 Bond. Owners of Bonds should consult their own tax advisors regarding the potential implications of the market discount rules with respect to the Bonds.

Collateral Tax Consequences

Prospective purchasers of the Bonds should be aware that the ownership of the Bonds may result in other federal and State of Missouri income tax consequences to certain taxpayers, including, without limitation, financial institutions, insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers who have incurred or continued indebtedness to purchase or carry, or have paid or incurred certain expenses allocated to, the Bonds, individuals who may be eligible for the earned income credit, owners who dispose of any Series 2012 Bond prior to its stated maturity (whether by sale or otherwise) and owners who purchase any Series 2012 Bond at a price different from its initial offering price. All prospective purchasers of the Bonds should consult their own tax advisors as to the applicability and the impact of any other tax consequences (which may depend upon their particular tax status or other tax items), as well as to the treatment of interest on the Bonds (including any original issue discount properly allocable to an owner thereof) under state or local laws other than those of the State of Missouri.

Under the Code, all taxpayers are required to report on their federal income tax returns the amount of interest (including properly allocable original issue discount) received or accrued during the year that is excluded from gross income for federal income tax purposes. This requirement applies to interest on all tax-exempt obligations, including, but not limited to, the Bonds. Also, the Code requires the reporting by payors of tax-exempt interest in a manner similar to that for interest on taxable obligations. Generally, payors (including paying agents and other middlemen and nominees) of tax-exempt interest (such as interest on the Bonds) to non-corporate payees are subject to federal income tax information return and payee statement reporting and recordkeeping requirements. Also, as to payor reportable payments of tax-exempt interest (such as payments to non-corporate payees of interest on the Bonds), the general rules of federal income tax backup withholding will apply to such payments, unless the payor obtains from the payee a completed, certified Form W-9, Request for Taxpayer Identification Number and Certification. However, for tax-exempt original issue discount, no information reporting or backup withholding will be required until such time as the Service provides future guidance.

Federal, state or local legislation, if enacted in the future, may cause interest on the Bonds to be subject, directly or indirectly, to federal or State of Missouri income taxation or otherwise adversely affect the federal, state or local tax consequences of ownership or disposition of, and, whether or not enacted, may adversely affect the value and liquidity of, the Bonds.

MISCELLANEOUS

Bond Ratings

Standard & Poor's Rating Group, a Division of The McGraw-Hill Companies, Inc., has assigned a rating of "AA" based on the credit of the City's sewer system. Such ratings reflect only the view of such rating agency, and an explanation of the significance of such ratings may be obtained there from. There is no assurance that the ratings will remain in effect for any given period of time or that they will not be revised, either downward or upward, or withdrawn entirely, by said rating agencies if, in their respective judgment, circumstances warrant. Any such downward revisions or withdrawal of the ratings may have an adverse affect on the market price of the Bonds.

Financial Advisor

Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri, and Columbia Capital Management, LLC, Overland Park, Kansas, have been employed as Co-Financial Advisors to the City to render certain professional services, including advising the City on a plan of financing and preparing the Official Statement for the sale of the Bonds. Stifel, Nicolaus & Company, Incorporated, and Columbia Capital Management, LLC in their capacity as Co-Financial Advisors, have read and participated in drafting certain portions of this Official Statement and has supervised the compilation and editing thereof. The Co-Financial Advisors have not, however, independently verified the factual information contained in the Official Statement.

Underwriting

The Bonds have been sold by the City to _____ (the "Underwriter"). The Underwriter has agreed to purchase the Bonds from the City at a price of \$ _____, (which is equal to the principal amount of the Bonds, less an underwriting discount of \$ _____), plus accrued interest, if any, from the date of the Bonds to the date of payment and delivery of the Bonds. The Underwriter is purchasing the Bonds from the City for resale in the normal course of the Underwriter's business activities. The Underwriter will sell certain of the Bonds at a price greater than such purchase price, as shown on the cover hereof. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions at such price or prices as the Underwriter, in its discretion, shall determine.

Other Matters

All information contained in this Official Statement is subject, in all respects, to the complete body of information contained in the original sources thereof and no guaranty, warranty or other representation is made concerning the accuracy or completeness of the information herein.

Simultaneously with the delivery of the Bonds, the Director of Finance of the City, acting on behalf of the City, will furnish to the Underwriter a certificate which shall state, among other things, that to the best knowledge and belief of such officer, this Official Statement (and any amendment or supplement hereto) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading in any material respect.

Information set forth in this Official Statement has been furnished or reviewed by certain officials of the City, certified public accountants, and other sources, as referred to herein, which are believed to be reliable. Any statements made in this Official Statement involving matters of opinion, estimates or projections, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or projections will be realized.

The form of this Official Statement, and its distribution and use by the Underwriter, has been approved by the City and deemed final. Neither the City nor any of its officers, directors or employees, in either their official or personal capacities, has made any warranties, representations or guarantees regarding the financial condition of the city or the City's ability to make payments required of it; and further, neither the City nor its officers, directors or employees assumes any duties, responsibilities or obligations in relation to the issuance of the Bonds other than those either expressly or by fair implication imposed on the City by the Ordinance.

Additional Information

Additional information regarding the City or the Bonds may be obtained from John Blattel, Finance Director, at 701 East Broadway, P.O. Box 6015, Columbia, Missouri 65205 (573/874-7457).

CITY OF COLUMBIA, MISSOURI

By: _____
Mayor

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Appendix A

Information Concerning the City

GENERAL AND ECONOMIC INFORMATION CONCERNING THE CITY

Location and Size

The City is located in Boone County, Missouri, in the central portion of the State of Missouri, approximately 125 miles east of Kansas City and 125 miles west of St. Louis. The City encompasses approximately 63 square miles and has a current population of 108,500 as of the 2010 US Census.

Government Structure

The City of Columbia is a constitutional home rule charter city and was organized in 1892 pursuant to the laws of the State of Missouri. The City is governed by a home rule charter and has a Council-Manager, non-partisan form of government which was adopted in 1949. The Mayor and six council members are elected for three year staggered terms with two council members elected each year. The City is divided into six wards, with one council member representing each ward and the Mayor being elected at large.

Columbia is a full service City which provides not only the traditional basic services such as public safety, public works and planning, but also a wide variety of enterprise activities. Columbia provides a majority of utility services including water, electricity, solid waste, and sanitary sewers. Additionally, Columbia operates three transportation enterprises: the regional airport, public transportation and railroad operations.

Municipal Services and Utilities

The City provides the normal range of governmental services, such as street construction and maintenance, police protection, fire protection, streets and bridges, civil defense and joint communications, code enforcement, building inspections, health services, animal control and parks. These items are financed from the revenues of the General Fund.

In addition, the City owns and operates several enterprise and internal service operations. Enterprise operations include: electric (generation and distribution) water, sewer, solid waste, airport, transit system, storm water, parking, railroad and recreation services. Some enterprise operations receive operating subsidies from the General Fund. Internal service operations consist of custodial and maintenance service, utility customer services, information services, employee benefit, self insurance, public communications, GIS services and fleet operations. These operations provide services to all City departments and assess charges to departments based upon usage in amounts sufficient to cover their costs of operation.

Economic Condition and Outlook

The City's geographic location serves as a crossroad for travelers going east and west on Interstate 70 and north and south on U.S. 63. The City is serviced by 14 motor carriers, Columbia Regional Airport, Columbia Terminal Railroad, Columbia Transit System and two intrastate bus systems.

The City is the location of the main campus of the University of Missouri, Columbia College, and Stephens College. Approximately 47,579 students attend these institutions of higher education during the regular school year. In addition to higher education, Columbia is also a regional medical center with eight hospitals. Insurance is a major business operation in the City with home offices of Shelter Insurance Company, the Columbia Insurance Group, and a regional office of State Farm Insurance Company. Columbia is a regional shopping area for central Missouri with 16 shopping centers. Other area industry consists of printing, structural metal fabrication, structural materials production, electronic products, auto parts and food processing.

All of these activities have given the City a fairly stable employment base. The unemployment rate in Columbia, approximately 4.9% in December 2011, has been well below the national average of approximately 8.3%.

<u>Major Employers</u>	<u>Type of Business</u>	<u>Number of Employees</u>
1. University of Missouri – Columbia	Education	8,630
2. University Hospital and Clinics	Medical	4,279
3. Columbia Public Schools	Education	2,140
4. Boone Hospital Center	Medical	1,647
5. City of Columbia	Government	1,286
6. U.S. Department of Veterans Affairs	Government	1,250
7. Shelter Insurance Company	Insurance	1,171
8. MBS Textbook Exchange	Education	1,084
9. State Farm Insurance Companies	Insurance	1,043
10. Joe Machens	Automotive Dealer	613

Source: Comprehensive Annual Financial Report, Fiscal Year 2011

The following table sets forth employment figures for the Columbia, Missouri MSA:

<u>Average For Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
2001	85,467	82,897	2,570	3.01%
2002	86,929	83,952	2,977	3.42%
2003	87,936	84,818	3,118	3.55%
2004	88,214	84,813	3,401	3.86%
2005	91,210	87,921	3,289	3.86%
2006	92,316	89,230	3,086	3.34%
2007	93,159	89,688	3,471	3.73%
2008	92,777	88,661	4,116	4.44%
2009	93,236	87,248	5,988	6.42%
2010	94,216	88,125	6,091	6.46%
2011	95,331	89,600	5,731	6.02%

Source: Bureau of Labor Statistics (www.bls.gov)

General Demographic Statistics

The following table sets forth statistical information for the Columbia area at fiscal year-end for the past ten years:

<u>Year</u>	<u>Estimated Population</u>	<u>Columbia Median Age</u>	<u>Personal Income (\$000)</u>	<u>Per Capita Personal Income</u>
2010	98,893	26.5	6,293,000	\$36,241
2009	97,403	28.2	6,025,000	36,241
2008	96,093	31.8	5,521,000	33,604
2007	94,645	28.1	5,283,000	32,548
2006	93,219	29.7	5,087,000	32,608
2005	91,814	35.2	4,865,759	31,959
2004	89,803	35.2	4,537,251	30,019
2003	88,423	30.8	4,230,922	28,197
2002	87,003	29.9	4,056,814	27,293
2001	86,081	26.8	3,959,699	26,914

Source: Comprehensive Annual Financial Report, Fiscal Year 2011

Building Permits

The following table sets forth statistical information regarding the number and estimated valuation of building permits within the City for five recent years.

<u>Year</u>	<u>Commercial Construction</u>		<u>Residential Construction</u>	
	<u>Number of Permits</u>	<u>Estimated Valuation</u>	<u>Number of Permits</u>	<u>Estimated Valuation</u>
2011	33	\$20,508,272	424	\$112,250,462
2010	32	15,776,890	374	69,360,630
2009	42	90,871,538	355	55,436,649
2008	58	51,336,697	408	69,590,716
2007	68	89,104,177	730	126,755,467

Source: Comprehensive Annual Financial Report, Fiscal Year 2011

DEBT STRUCTURE OF THE CITY

Current Long-Term General Obligation Indebtedness

The City has no outstanding general obligation debt.

History of General Obligation Indebtedness

The City has not had any outstanding general obligation bond indebtedness since 2002. The City has never defaulted on the payment of any of its debt obligations.

Overlapping General Obligation Indebtedness

The following table sets forth overlapping indebtedness of political subdivisions with boundaries overlapping the City as of September 30, 2011 and the percent attributable (on the basis of assessed valuation) to the City:

<u>Jurisdiction</u>	<u>Bond Issues Outstanding</u>	<u>Amount Available Debt Service Funds</u>	<u>Net Debt Outstanding</u>	<u>Amount Applicable to City of Columbia</u>	<u>Applicable to City of Columbia</u>
City of Columbia	\$0	\$0	\$0	0.0%	\$0
Columbia SD	192,967,000	32,400,994	160,566,066	81.9%	131,582,746
Boone County	<u>2,432,347</u>	<u>126,095</u>	<u>2,306,252</u>	71.6%	<u>1,651,975</u>
Totals	<u>\$195,399,347</u>	<u>\$32,527,089</u>	<u>\$162,872,258</u>		<u>\$133,234,720</u>

Source: *Comprehensive Annual Financial Report, Fiscal Year 2011*

Legal Debt Capacity

Under Article VI, Section 26(b), (c) and (d) of the Constitution of Missouri, the City may incur indebtedness for authorized City purposes not to exceed 20% of the valuation of taxable tangible property in the City according to the last completed assessment upon the approval of four-sevenths of the qualified voters in the City voting on the proposition at any municipal primary or general election or two-thirds voter approval on any other election date. As of September 30, 2011, the legal debt limit of the City is \$334,950,607. The City has no outstanding indebtedness, which leaves a legal debt margin of \$334,950,607.

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Other Long-Term Obligations of the City

Revenue Bonds. The City had the following outstanding revenue bonds payable solely from the revenues of the applicable systems, as of September 30, 2011:

<u>Revenue Bonds</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Term In Years</u>	<u>Maturity Date</u>	<u>Original Issue</u>	<u>Amount Outstanding</u>
1998 Water & Electric System Revenue Bonds	3.75 – 6.00%	03/01/98	25	10/01/12	\$28,295,000	\$ 1,720,000
2002A Water & Electric System Revenue Bonds	3.00 – 6.00%	02/01/02	25	10/01/26	16,490,000	1,135,000
2003 Water & Electric System Refunding Bonds	2.00 – 5.00%	02/15/03	13	12/01/15	8,950,000	4,755,000
2004 Water & Electric System Refunding Bonds	2.00 – 4.25%	03/15/04	25	10/01/28	17,095,000	14,510,000
2005 Water & Electric System Refunding & Improvement Bonds	3.00 – 5.25%	05/17/05	24	10/01/29	30,630,000	26,805,000
2009 Water & Electric System Revenue Bonds Series A	3.00 – 4.125%	9/29/2009	25	10/01/34	16,725,000	16,725,000
2011 Water & Electric System Revenue Refunding and Improvement Series A	3.00 – 5.00%	5/17/2011	30	10/01/41	84,180,000	84,180,000
1992 Sanitary Sewerage System Revenue Bonds Series B	4.25 – 6.550%	06/01/92	20	01/01/13	870,000	145,000
1999 Sanitary Sewerage System Revenue Bonds Series A	3.625 – 5.250%	06/01/99	20	01/01/20	3,730,000	1,850,000
1999 Sanitary Sewerage System Revenue Bonds Series B	4.125 – 6.000%	12/01/99	20	07/01/20	1,420,000	705,000
2000 Sanitary Sewerage System Revenue Bonds Series B	4.350 – 5.625%	11/01/00	20	07/01/21	2,445,000	1,340,000
2002 Sanitary Sewerage System Revenue Bonds	3.000 – 5.375%	05/08/02	24	01/01/23	2,230,000	1,425,000
2002 Sanitary Sewerage System Refunding Bonds	2.000 – 4.000%	09/01/02	15	10/01/17	7,940,000	4,415,000
2003 Sanitary Sewerage System Revenue Bonds	2.00 – 5.25%	04/09/03	20	01/01/24	3,620,000	2,485,000
2004 Sanitary Sewerage System Revenue Bonds	2.00 – 5.25%	05/28/04	20	01/01/25	650,000	485,000
2006 Sanitary Sewerage System Revenue Bonds Series B	4.00 – 5.00%	11/01/06	20	07/01/26	915,000	730,000
2007 Sanitary Sewerage System Revenue Bonds	4.00 – 5.00%	11/15/07	20	01/01/28	1,800,000	1,570,000
2009 Sanitary Sewerage System Build America Revenue Bonds	5.44 – 6.02%	9/29/2009	25	10/01/34	10,405,000	10,405,000
2010 Sanitary Sewerage System Revenue Bonds Series A	1.49%	1/14/2010	22	7/01/2032	59,335,000*	<u>31,007,553</u>
Total Revenue Bonds						<u>\$206,392,553</u>

* The Series 2010 Sanitary Sewer System Revenue Bonds, Series A has a not to exceed amount of \$59,335,000. As of September 30, 2011, the related bonds payable for this issue is \$31,007,553.

In addition to the bonds listed above, two series of City annual appropriation bonds, the \$38,535,000 Series 2006C Special Obligation Bonds and the \$21,465,000 Series 2008A Special Obligation Bonds, are secured by a subordinate pledge of the City's electric utility revenues.

Special Obligation Bonds: The City has ten series of special obligation bonds outstanding. The City may make payments on the outstanding special obligation bonds from any funds of the City legally available for such purposes, subject to annual appropriation by the City Council. However, the City expects to make payments from revenues of the sewer system, solid waste system, parking system and electric utility of the City as well as from the Capital Improvement Sales Tax. The total debt service for these ten issues is set forth in the table below.

SPECIAL OBLIGATION BONDS
Series
2001A, 2001B, 2006A, 2006B, 2006C,
2008A, 2008B, 2009A, 2012A-1 and
2012A-2

Fiscal Year	Maturing Principal	Interest Due*	Total Debt Service*
2012	\$5,295,000.00	\$6,063,058.38	\$11,358,058.38
2013	5,905,000.00	5,940,731.45	11,845,731.45
2014	6,150,000.00	5,688,106.45	11,838,106.45
2015	6,425,000.00	5,415,611.45	11,840,611.45
2016	6,710,000.00	5,114,341.45	11,824,341.45
2017	3,800,000.00	4,884,604.70	8,684,604.70
2018	3,935,000.00	4,735,809.04	8,670,809.04
2019	4,085,000.00	4,576,392.01	8,661,392.01
2020	4,250,000.00	4,407,272.39	8,657,272.39
2021	4,415,000.00	4,229,145.77	8,644,145.77
2022	4,015,000.00	4,052,896.40	8,067,896.40
2023	4,170,000.00	3,876,397.77	8,046,397.77
2024	6,245,000.00	3,658,287.15	9,903,287.15
2025	6,505,000.00	3,394,057.77	9,899,057.77
2026	6,775,000.00	3,114,848.07	9,889,848.07
2027	6,275,000.00	2,839,647.63	9,114,647.63
2028	7,750,000.00	2,529,197.88	10,279,197.88
2029	5,905,000.00	2,215,030.38	8,120,030.38
2030	7,365,000.00	1,901,920.63	9,266,920.63
2031	8,495,000.00	1,520,684.51	10,015,684.51
2032	8,285,000.00	1,109,501.00	9,394,501.00
2033	8,675,000.00	702,760.25	9,377,760.25
2034	9,055,000.00	251,301.25	9,306,301.25
Total	\$140,485,000.00	\$82,221,603.77	\$222,706,603.77

*Net of Series 2009A Taxable Build America Bonds 35% interest subsidy.

Other obligations: In addition to the above listed Bonds, the City has two outstanding bank loans that are described on page 71 of the September 30, 2011 Audit in Appendix F.

Future obligations: At an April 2008 election, the voters of the City authorized the issuance of Sanitary Sewerage System Revenue bonds in the principal amount of \$77,000,000 for the purpose of providing funds for constructing, improving and extending the City-owned sanitary sewer utility, the cost of operation and maintenance of said sanitary sewer system and the principal of and interest on said revenue bonds to be payable solely from the revenues derived by the City from the operation of its sanitary sewer system. The City currently has \$16,786,000 of remaining authorization.

**WATER AND ELECTRIC UTILITY SYSTEM REVENUE BOND COVERAGE ^(a)
LAST 10 FISCAL YEARS**

WATER AND ELECTRIC UTILITY REVENUE / REFUNDING BONDS ^(c)

Fiscal Year Ended	Operating Revenue	Operating Expenses	Net Revenue	Principal	Interest ^(b)	Total	Revenue Bond Coverage
2002	\$73,119,302	\$54,840,910	\$18,278,392	\$3,035,000	\$2,494,394	\$5,529,394	3.31
2003	76,094,540	58,444,470	17,650,070	3,410,000	3,160,451	6,570,451	2.69
2004	79,237,016	62,559,631	16,677,385	3,685,000	2,992,679	6,677,679	2.50
2005	92,127,894	72,052,155	20,075,739	3,870,000	3,449,264	7,319,264	2.74
2006	105,384,237	85,904,487	19,479,750	575,000	3,308,873	3,883,873	5.02
2007	116,758,098	84,055,177	32,702,921	3,595,000	4,332,137	7,927,137	4.13
2008	121,609,839	90,723,595	30,886,244	3,755,000	5,079,238	8,834,238	3.50
2009	132,415,953	99,094,026	33,321,927	3,875,000	6,125,758	10,000,758	3.33
2010	142,829,724	104,960,352	37,869,372	4,020,000	6,206,577	10,226,577	3.70
2011	151,526,817	107,813,998	43,712,819	4,175,000	6,354,157	10,529,157	4.15

^(a) Revenue bonds and their related interest are payable solely from the revenues derived from the operation of the enterprise owned by the City. The taxing power of the City is not pledged to secure payment of the bonds and interest.

^(b) Interest payments made in the fiscal year.

^(c) This includes Special Obligation Bonds, Series 2006C and Series 2008A, which are to be treated as a water and electric utility revenue bond issue.

**SANITARY SEWER SYSTEM UTILITY REVENUE BOND COVERAGE ^(a)
LAST 10 FISCAL YEARS**

SANITARY SEWER SYSTEM REVENUE BONDS ^(d)

Fiscal Year Ended	Operating Revenue ^(c)	Operating Expenses	Net Revenue	Principal	Interest ^(b)	Total	Revenue Bond Coverage
2002	\$7,957,444	\$5,098,788	\$2,858,656	\$705,000	\$1,069,619	\$1,774,619	1.61
2003	7,923,672	5,501,961	2,421,711	825,000	795,719	1,620,719	1.49
2004	8,708,998	5,721,756	2,987,242	1,040,000	1,038,747	2,078,747	1.44
2005	9,378,918	5,750,876	3,628,042	1,245,000	994,648	2,239,648	1.62
2006	9,915,355	6,221,458	3,693,897	1,280,000	1,126,455	2,406,455	1.53
2007	10,313,861	6,395,635	3,918,226	1,590,000	1,281,897	2,871,897	1.36
2008	10,333,579	6,596,832	3,736,747	1,640,000	1,290,111	2,930,111	1.28
2009	11,645,980	7,637,179	4,008,801	1,765,000	1,256,537	3,021,537	1.33
2010	13,536,909	7,576,703	5,960,206	1,805,000	1,520,655	3,325,655	1.79
2011	15,430,156	7,850,327	7,579,829	1,875,000	1,911,364	3,786,364	2.00

^(a) Revenue bonds and their related interest are payable solely from the revenues derived from the operation of the enterprise owned by the City. The taxing power of the City is not pledged to secure payment of the bonds and interest.

^(b) Interest payments made in the fiscal year.

^(c) Includes investment revenue in fiscal year 2002 and thereafter.

^(d) This includes Special Obligation Bonds, Series 2001A and Special Obligation Bonds, Series 2006A, which are to be treated as sewer system revenue bond issues.

FINANCIAL INFORMATION CONCERNING THE CITY

Accounting, Budgeting and Auditing Procedures

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

The financial statements for the pension and other post employment benefit trust funds are prepared using the economic resources management focus and the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due, as the City has a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, interest and principal on general long-term debt is recognized when due, or when payments are due early in the next fiscal year, and the advance of resources to the debt service fund is mandatory, and debt service expenditures are recognized before year-end to match the resources provided for these payments.

Property tax, sales tax, gasoline tax, motor vehicle tax, interest, and revenues from other governmental units associated with the current fiscal period are all considered to be susceptible to accrual and so they have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City is required by law to prepare an annual budget of estimated receipts and disbursements for the coming fiscal year under the direction of the City Manager, which is presented to the City Council in August for approval after a public hearing. The City's fiscal year is October 1 through September 30. The budget lists estimated receipts by fund, sources and estimated disbursements by fund and purposes, and includes a statement of the rate of levy per hundred dollars of assessed valuation required to raise each amount shown on the budget as coming from ad valorem taxes.

The financial records of the City are audited annually by a firm of independent certified public accountants in accordance with generally accepted auditing standards. In recent years, the annual audit has been performed by McGladrey & Pullen, LLP. Copies of past audit reports are on file in the City Clerk's office and are available for review. Financial Statements are also available online at http://www.gocolumbiamo.com/Finance/Services/Financial_Reports/index.php.

Sources of Revenue

The City finances its general operations through the following taxes and other miscellaneous sources as indicated below for the 2010 and 2011 fiscal years:

<u>Source</u>	<u>2010</u>	<u>2011</u>
General Property Taxes	\$ 6,893,193	\$ 6,876,040
Sales Tax	18,794,534	19,891,980
Other Local Taxes	11,606,208	11,661,935
Licenses and Permits	818,100	845,158
Fines	1,900,869	2,049,392
Fees and Service Charges	1,665,294	1,905,917
Intragovernmental Revenues	4,200,389	4,139,602
Revenue from other Governmental Units	6,486,581	5,431,035
Investment Revenue	1,035,128	661,033
Miscellaneous Revenue	<u>1,677,407</u>	<u>1,234,220</u>
Totals	<u>\$55,077,703</u>	<u>\$54,696,312</u>

Source: Comprehensive Annual Financial Report, Fiscal Year 2011

Sales tax revenues currently represent more than 36% of the City of Columbia’s general fund revenues. The sales tax revenues of the City are derived from a 1-cent General Sales tax, a ½-cent Transportation Sales Tax, a ¼-cent Capital Improvements Sales Taxes and a ¼-cent Local Parks Sales Tax.

The General Sales Tax is used to fund basic government services such as Police, Fire, Health and other City services. A small portion of the General Sales Tax is also dedicated to capital projects for basic governmental operations. This is a permanent tax with no expiration date.

Transportation Sales Tax revenues are used to pay for basic maintenance of streets, provide subsidies to the operations of the bus system and airport and provide funding for capital projects for the bus system and the airport. Any remaining funds (approximately \$1 million annually) are available for road projects. This is a permanent tax with no expiration date.

The City of Columbia has utilized the Capital Improvements Sales Taxes to meet capital needs for Public Safety, Parks and Transportation. This ¼- cent tax was first approved by voters in 1991 and has been renewed in 1995, 2001 and 2005. The current tax expires on December 31, 2015.

Sales Tax Revenues

<u>Year</u>	<u>General</u>	<u>Transportation</u>	<u>Capital Improvements</u>	<u>Local Park</u>
2011	\$20,742,419	\$ 9,898,088	\$ 4,949,012	\$ 4,949,003
2010	19,598,054	9,349,477	4,674,637	4,674,563
2009	19,215,012	9,200,210	4,599,952	4,599,880
2008	19,757,528	9,456,240	4,727,958	4,727,415
2007	19,757,068	9,495,176	4,747,346	4,745,782

Source: Comprehensive Annual Financial Report, Fiscal Year 2011

Gross Receipts Litigation Settlement: A class action lawsuit was filed six years ago in St. Louis County by a number of Missouri cities against cell phone companies operating in Missouri. The lawsuit was filed to force the cell phone companies to pay the same telephone taxes that landline phone companies must pay. Settlement agreements have been reached with the major companies and their subsidiaries: Sprint Spectrum, Verizon Wireless, U.S. Cellular and AT&T Mobility. Under the agreements, the City will receive more than \$2.7 million in back taxes. The companies will also pay the City's 7% gross receipts tax on telephone service in the future.

Summary of Receipts, Expenditures and Fund Balances. The following table sets forth a summary of revenues and expenditures of the General Fund for the last 5 fiscal years:

Audited Financial Summary (Fiscal Years 2007-2011)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Budgeted Revenues:	\$59,250,506	\$62,825,414	\$63,270,899	\$66,461,014	\$66,360,035
Actual General Fund Revenues	48,932,439	56,891,837	53,364,857	55,077,703	54,696,312
Actual General Fund Expenditures	<u>63,595,456</u>	<u>66,671,571</u>	<u>69,645,490</u>	<u>71,547,191</u>	<u>72,476,748</u>
Actual Revenues-Expenditures	(14,663,017)	(9,779,734)	(16,280,633)	(16,469,488)	(17,780,436)
Net Operating Transfers	15,150,133	15,835,838	16,033,255	17,414,579	19,093,797
Fund Balance, End of Period	<u>\$18,692,893</u>	<u>\$24,748,997</u>	<u>\$25,659,827</u>	<u>26,604,918</u>	<u>27,918,279</u>

Source: Comprehensive Annual Financial Report, Fiscal Years 2007-2011

Risk Management. The City has established a risk management program for workers' compensation, liability and property losses. Premiums are charged to other funds by the Self Insurance Reserve Trust Fund and are available to pay claims, claim reserves and administrative costs of the program. An actuary is used to determine the level of reserves. An excess coverage insurance policy covers individual claims in excess of \$500,000 for general liability, \$100,000 for property losses, and workers' compensation claims in excess of \$500,000. The City carries insurance policies with outside insurers for airport, railroad and boiler, health clinic, and explosion claims.

Employee Retirement and Pension Plans. The City contributes to the Police Retirement Fund and the Firefighters' Retirement Fund, two separate single employer defined benefit pension plans. The City of Columbia acts as an agent of the plans and has administrative responsibility for the assets of the plans. All full-time regular police officers and full-time regular firefighters are participants in their respective plans. Participants become fully vested at the completion of their probationary period, which is generally 12 months after employment. Participants are eligible for an annual retirement benefit, payable monthly for life, upon reaching the age of 65, or 20 years of credited service.

All other employees of the City receive retirement benefits through a plan administered by the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. All full-time employees are eligible to participate in LAGERS. Benefits vest after five years of credited service. LAGERS provides retirement benefits, early retirement, death and disability benefits. The City is required by statute to contribute the amounts necessary to finance the coverage of its employees using the actuarial basis specified by state statute. For the fiscal year ended September 30, 2011, the employer contribution rate was 15.1% for general employees and 17.7% for water and electric utility employees. The employer contribution rate for 2012 will be 16.1% for general employees and 18.7% for water and electric utility employees.

Membership of each plan consisted of the following at the date of the latest actuarial valuation:

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>LAGERS</u>
Number of Participants:			
Current membership (receiving benefits)	118	127	473
Terminated entitled, not yet receiving benefits	12	-	227
Current active members	151	128	942

Source: Comprehensive Annual Financial Report, Fiscal Year 2011

Funding Policy for Police and Fire Pension

The City's Police and Fire pension contributions for the fiscal year ended September 30, 2011, were made in accordance with actuarially determined contribution requirements determined through actuarial valuation.

The City's annual pension cost for the current year and the related information for each plan follows:

	<u>Police Plan</u>	<u>Fire Plan</u>	<u>LAGERS</u>
Contribution rates:			
City-general, utility	34.48%	48.91%	15.1, 17.7%
Plan members - contributory	8.35%	16.32%	—
Plan members - noncontributory	3.50%	—	—
Annual pension cost	\$3,033,164	\$3,598,321	\$6,937,509
Contributions made	\$3,033,164	\$3,598,321	\$6,937,509
Actuarial valuation date	9/30/2010	9/30/2010	2/28/2011
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	level % of pay-closed	level % of pay-closed	level % of pay-open
Remaining amortization period	29 years	29 years	30 years
Asset valuation method	smooth 4 year market	smooth 4 year market	smooth 5 year market
Actuarial assumptions:			
Investment rate of return	7.5%	7.5%	7.25%
Projected salary increases*	0% – 13.0%	0% – 13.0%	0% - 6.0%
*Includes inflation at	4%	4%	3.5%
Benefit increases	2% annually until attained age of 62; 2% thereafter	2% annually	6% maximum annually based on consumer price index

Source: Comprehensive Annual Financial Report, Fiscal Year 2011

Pursuant to a September 30, 2010 actuarial report, the Unfunded Actuarial Accrued Liability for the Police Plan is \$29,438,602 and for the Fire Plan is \$43,451,752.

Prior to September 22, 1985, participants in the police retirement plan were able to elect to receive a higher salary and make a contribution to the plan or elect to receive a lower salary and not make a contribution.

Annual Pension Cost

Schedule of Employer Contributions

	<u>FY Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>% of APC Contributed</u>	<u>Net Pension Obligation</u>
LAGERS	6/30/2011	\$6,937,509	94.9%	\$353,813
Police Pension	9/30/2011	\$3,033,164	100.0%	\$---
Fire Pension	9/30/2011	\$3,598,321	100.0%	\$---

The City’s funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. Administration costs are financed by the revenues of the Police and Firefighters’ Retirement Funds.

There were no long-term contracts for contributions outstanding on September 30, 2011.

Although the assets of the Police and Fire plans are commingled for investment purposes, each plan’s assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

401(a) Retirement Plan

The City sponsors and administers, through a contract with Boone County National Bank, a 401(a) plan which is a defined contribution plan established to provide benefits at retirement to permanent employees of the City. At September 30, 2011, there were 1,236 plan members. The City will contribute to the plan on behalf of each participant an amount equal to 2.0% of the participant’s salary contingent upon the participant making a matching contribution to a Section 457 deferred compensation plan. For the year ended September 30, 2011, the City contributed \$896,743 to the plan. Plan provisions and contribution requirements are established and may be amended by the City Council.

Post Employment Health Plan (PEHP)

Beginning with the fiscal year ended September 30, 2010, the City will no longer make contributions towards the employee post employment health plan. However, employees who terminate employment after 10 or more years of service may be eligible to convert unused sick leave hours (at the rate of \$2.00 for every hour of final accumulated sick leave) for deposit into the employee’s PEHP account. For the year ended September 30, 2011, \$81,688 was contributed to the plan.

Other Post Employment Benefits (OPEB)

The City of Columbia post employment Health Plan is a single employer defined benefit plan that is self-funded. The Plan provides medical and prescription drug benefits to eligible retirees and their dependents. Eligible non-Medicare retirees receive health care coverage through a self-insured Point-of-Service plan offered through United Healthcare. Eligible Medicare retirees receive health care coverage through a fully insured Medicare Supplement Plan F and a Part D Rx plan offered through United American. As of October 1, 2010, the date of the last actuarial valuation, plan membership consisted of 245 Retirees receiving benefits and 1,253 active members for a total of 1,498 total current members.

PROPERTY TAX INFORMATION CONCERNING THE CITY

Property Valuations

Current Assessed Valuation. The following table shows the total assessed valuation of all taxable tangible real and personal property situated in the City according to the Boone County Assessor’s Office as of September 30, 2011:

Real.....	\$ 1,400,192,298
Personal.....	250,581,100
State	<u>5,140,761</u>
Total	<u>\$ 1,655,914,159</u>

History of Property Valuations. The total assessed valuation of all taxable tangible real and personal property situated in the City, excluding state assessed railroad and utility property, according to the assessment of January 1 in each of the following years, has been as follows:

<u>Fiscal Year</u>	<u>Assessed Valuation</u>
2004	\$ 1,115,649,375
2005	1,164,766,227
2006	1,371,217,522
2007	1,474,074,176
2008	1,571,621,920
2009	1,628,439,181
2010	1,639,395,223
2011	1,655,914,159

Source: Comprehensive Annual Financial Report, Fiscal Year 2011

Tax Rates

Debt Service Levy. The City has no general obligation debt.

Operating Levy. The current operating levy of the City is \$.41 per \$100 of assessed valuation. Under Article X, Section 11(c) of the Missouri Constitution, any increase in the City’s operating levy above \$.45 must be approved by a majority of the voters voting on the proposition.

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Major Property Taxpayers

The following table sets forth the ten largest property taxpayers in the City for the fiscal year ending September 30, 2011:

CITY OF COLUMBIA, MISSOURI

PRINCIPAL TAXPAYERS SEPTEMBER 30, 2011

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
State Farm Mutual Auto Ins Company	Insurance	\$ 7,807,371	0.50%
Columbia Mall Limited Partnership	Property/Developer	6,705,078	0.43%
TKG Biscayne LLC	Property/Developer	6,473,891	0.41%
Shelter Insurance	Insurance	5,616,484	0.36%
COG Leasing Company LLP	Health Services	4,002,304	0.25%
Rayman Columbia Center Trust	Property/Developer	3,935,232	0.25%
Broadway-Fairview Venture LLC	Property Developer	3,896,005	0.25%
Rusk Rehabilitation Center	Health Services	3,783,072	0.24%
Grindstone Plaza Development	Property/Developer	3,647,027	0.23%
The Links at Columbia	Property/Developer	<u>3,581,500</u>	0.23%
		<u>\$49,447,964</u>	3.15%

Source: Comprehensive Annual Financial Report, Fiscal Year 2011

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Appendix B

Draft Bond Ordinance

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ORDINANCE NO. _____

OF THE

CITY OF COLUMBIA, MISSOURI

PASSED

_____, 2012

AUTHORIZING:

SEWERAGE SYSTEM REVENUE BONDS
SERIES 2012

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Introduced by _____

First Reading _____

Second Reading _____

Third Reading _____

Ordinance No. _____

Council Bill No. _____

AN ORDINANCE

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012, OF THE CITY OF COLUMBIA, MISSOURI, FOR THE PURPOSE OF EXTENDING AND IMPROVING THE SEWERAGE SYSTEM OF THE CITY; PRESCRIBING THE FORM AND DETAILS OF THE BONDS AND THE AGREEMENTS MADE BY THE CITY TO FACILITATE AND PROTECT THEIR PAYMENT; AND PRESCRIBING OTHER RELATED MATTERS; AND FIXING THE TIME WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE.

WHEREAS, the City of Columbia, Missouri (the “City”), is a municipal corporation and constitutional charter city, organized and existing under the constitution and laws of the State of Missouri; and

WHEREAS, the City now owns and operates a revenue producing sewerage system serving the City, its inhabitants and others within its service area, including connected and related appurtenances and facilities and extensions, improvements, additions and enlargements made or acquired by the City after the date of this Ordinance (the “System”); and

WHEREAS, the City is authorized under the provisions of Chapter 250 of the Revised Statutes of Missouri (the “Act”) to issue and sell revenue bonds for the purpose of paying all or part of the cost of extending and improving the System, with the cost of operation and maintenance of the System and the principal of and interest on revenue bonds payable solely from the Net Revenues (as defined below); and

WHEREAS, the City has, from time to time pursuant to the Act and approval by not less than a majority of the qualified voters of the City voting thereon, issued and sold its revenue bonds for the purpose of paying all or part of the cost of extending and improving the System, with the cost of operation and maintenance of the System and the principal of and interest on revenue bonds payable solely from the Net Revenues (as defined below); and

WHEREAS, by Ordinance No. 13351 passed on June 8, 1992 (the “Series 1992B Ordinance”), the City has issued its Sewerage System Revenue Bonds (State Revolving Fund Program) Series 1992B (the “Series 1992B Bonds”), in the original principal amount of \$870,000, of which \$75,000 remains outstanding as of the date of adoption of this Ordinance; and

WHEREAS, by Ordinance No. 16011 passed on May 20, 1999 (the “Series 1999A Ordinance”), the City has issued its Sewerage System Revenue Bonds (State Revolving Fund Program) Series 1999

(the “**Series 1999A Bonds**”), in the original principal amount of \$3,730,000, of which \$1,660,000 remains outstanding as of the date of adoption of this Ordinance; and

WHEREAS, by Ordinance No. 016262 passed on November 18, 1999 (the “**Series 1999B Ordinance**”), the City has issued its Sewerage System Revenue Bonds (State Revolving Fund Program) Series 1999B (the “**Series 1999B Bonds**”), in the original principal amount of \$1,420,000, of which \$705,000 remains outstanding as of the date of adoption of this Ordinance; and

WHEREAS, by Ordinance No. 016647 passed on November 2, 2000 (the “**Series 2000B Ordinance**”), the City has issued its Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2000B (the “**Series 2000B Bonds**”), in the original principal amount of \$2,445,000, of which \$1,340,000 remains outstanding as of the date of adoption of this Ordinance; and

WHEREAS, by Ordinance No. 017274 passed on April 24, 2002 (the “**Series 2002A Ordinance**”), the City has issued its Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2002A (the “**Series 2002A Bonds**”), in the original principal amount of \$2,230,000, of which \$1,320,000 remains outstanding as of the date of adoption of this Ordinance; and

WHEREAS, by Ordinance No. 017431 passed on September 5, 2002 (the “**Series 2002 Refunding Ordinance**”), the City has issued its Sewerage System Refunding Revenue Bonds, Series 2002 (the “**Series 2002 Refunding Bonds**”), in the original principal amount of \$7,940,000, of which \$3,845,000 remains outstanding as of the date of adoption of this Ordinance; and

WHEREAS, by Ordinance No. 017634 passed on April 2, 2003 (the “**Series 2003A Ordinance**”), the City has issued its Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2003A (the “**Series 2003A Bonds**”), in the original principal amount of \$3,620,000, of which \$2,320,000 remains outstanding as of the date of adoption of this Ordinance; and

WHEREAS, by Ordinance No. 018078 passed on May 12, 2004 (the “**Series 2004B Ordinance**”), the City has issued its Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2004B (the “**Series 2004B Bonds**”), in the original principal amount of \$650,000, of which \$455,000 remains outstanding as of the date of adoption of this Ordinance; and

WHEREAS, by Ordinance No. 019272 passed on October 16, 2006 (the “**Series 2006B Ordinance**”), the City has issued its Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2006B (the “**Series 2006B Bonds**”), in the original principal amount of \$915,000, of which \$730,000 remains outstanding as of the date of adoption of this Ordinance; and

WHEREAS, by Ordinance No. 019709 passed on October 15, 2007 (the “**Series 2007B Ordinance**”), the City has issued its Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2007B (the “**Series 2007B Bonds**”), in the original principal amount of \$1,800,000, of which \$1,490,000 remains outstanding as of the date of adoption of this Ordinance; and

WHEREAS, by Ordinance No. 20420 passed on September 21, 2009 (the “**Series 2009 Ordinance**”), the City has issued its Taxable Sewerage System Revenue Bonds (Build America Bonds – Direct Subsidy) Series 2009 (the “**Series 2009 Bonds**”), in the original principal amount of \$10,405,000, of which \$10,405,000 remains outstanding as of the date of adoption of this Ordinance; and

WHEREAS, by Ordinance No. 20519 passed on January 4, 2010 (the “**Series 2010 Ordinance**”), the City has issued its Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program – ARRA) Series 2010A (the “**Series 2010A Bonds**”) in the original principal amount of \$59,335,000, of which \$34,683,064 remains outstanding as of the date of adoption of this Ordinance; and

WHEREAS, the Series 1992B Bonds, the Series 1999A Bonds, the Series 1999B Bonds, the Series 2000B Bonds, the Series 2002 Refunding Bonds, the Series 2003A Bonds, the Series 2004B Bonds, the Series 2006B Bonds, the Series 2007B Bonds, the Series 2009 Bonds and the Series 2010A Bonds (collectively referred to herein as the “**Outstanding Parity Bonds**”), are payable on a parity from the Net Revenues of the System pursuant to the provision of the Outstanding Parity Bond Ordinances (which include the Series 1992B Ordinance, the Series 1999A Ordinance, the Series 1999B Ordinance, the Series 2000B Ordinance, the Series 2002 Refunding Ordinance, the Series 2003A Ordinance, the Series 2004B Ordinance, the Series 2006B Ordinance, the Series 2007B Ordinance, the Series 2009 Ordinance and the Series 2010 Ordinance); and

WHEREAS, at an April 2008 election (the “**2008 Election**”), the voters of the City authorized the issuance of sanitary sewer system revenue bonds in the principal amount of \$77,000,000 for the purpose of providing funds for constructing, improving and extending the City-owned sanitary sewer utility and \$16,786,000 of the bond authorization from the 2008 Election remains unissued; and

WHEREAS, under the provisions of the Outstanding Parity Bond Ordinances, the City may issue additional bonds payable out of the Net Revenues that are on a parity with the Outstanding Parity Bonds, for the purpose of paying the costs of extending and improving the System if certain conditions are met; and

WHEREAS, it is hereby found and determined that it is necessary and advisable and in the best interest of the City and its inhabitants that revenue bonds be issued and secured in the form and manner provided in this Ordinance for the purpose of paying the costs of extending and improving the System, subject to the conditions of the Outstanding Parity Bond Ordinances; and

WHEREAS, the City Council of the City has heretofore determined that it is in the best interest of the City to sell said Bonds at public sale to [BOND PURCHASER], and the award of the sale of such Bonds should now be approved; and

WHEREAS, it is hereby found and determined that it is necessary and advisable and in the best interest of the City and of its inhabitants that revenue bonds be issued and secured in the form and manner as hereinafter provided to provide funds for the purpose hereinafter set forth;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

ARTICLE I DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to the foregoing and words and terms defined in the Recitals and elsewhere in this Ordinance, capitalized words and terms have the following meanings in this Ordinance:

“**Accountant**” means a certified public accountant or firm of such public accountants.

“Bond Counsel” means Thompson Coburn LLP, St. Louis, Missouri, or other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the City.

“Bond Payment Date” means any date on which principal of or interest on any Bond is payable at the Maturity thereof or on any Interest Payment Date.

“Bond Register” means the books for the registration, transfer and exchange of Bonds kept at the office of the Paying Agent.

“Bond Year” means a one year period beginning October 2 of each year and ending on October 1 of the next succeeding year.

“Bondowner,” “Owner” or “Registered Owner” when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register.

“Bonds” means the Sewerage System Revenue Bonds, Series 2012, of the City, in the aggregate principal amount of \$9,980,000*, authorized and issued pursuant to this Ordinance.

“Business Day” means a day other than a Saturday, Sunday or holiday on which the Paying Agent shall be scheduled in the normal course of its operations to be open to the public for conduct of its banking operations.

“Calculation Date” means the Business Day immediately preceding October 1 of each year.

“Cede & Co.” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“City” means the City of Columbia, Missouri, and any successors and assigns.

“Code” means the Internal Revenue Code of 1986, as amended, or any corresponding applicable provisions of succeeding law, and the applicable temporary, proposed and final regulations relating thereto.

“Consultant” means the Consulting Engineer, an independent certified public accountant or a firm of independent certified public accountants.

“Consulting Engineer” means each independent engineer or engineering firm with experience in designing and constructing wastewater treatment, sanitary sewerage or water pollution control facilities and retained by the City.

“Continuing Disclosure Certificate” shall mean that certain Continuing Disclosure executed by the City and dated as of [CLOSING DATE], 2012, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance Account” means the account by that name created by this Ordinance.

“Current Expenses” means all reasonable and necessary expenses of ownership, operation, maintenance and repair of the System and keeping the System in good repair and working order,

determined in accordance with generally accepted accounting principles, including current maintenance charges, expenses of reasonable upkeep and repairs, salaries, wages, costs of materials and supplies, Paying Agent fees and expenses, annual audits, periodic Consultant's reports, properly allocated share of charges for insurance, the cost of purchased water, gas and power, obligations (other than for borrowed money or for rents payable under capital leases) incurred in the ordinary course of business, liabilities incurred by endorsement for collection or deposit of checks or drafts received in the ordinary course of business, short-term obligations incurred and payable within a particular Fiscal Year, obligations incurred for the purpose of leasing (pursuant to a true or operating lease) equipment, fixtures, inventory or other personal property, and all other expenses incident to the ownership and operation of the System, but excluding interest paid on System Revenue Bonds, depreciation and amortization charges (including payments into the Depreciation and Replacement Account), and all general administrative expenses of the City not related to the operation of the System.

"Debt Service Account" means the account by that name created in Section 402 of this Ordinance.

"Debt Service Reserve Account" means the account by that name created in Section 402 of this Ordinance.

"Debt Service Reserve Account Surety Bond" means, any irrevocable insurance policy, letter of credit or surety bond satisfying the requirements described in Section 605 hereof which guarantees payments into the Debt Service Reserve Account or payment of the principal of and interest on the Bonds in an amount which, together with cash or Permitted Investments on deposit in the Debt Service Reserve Account, is equal to the Debt Service Reserve Requirement Series 2012.

"Debt Service Reserve Requirement Series 2012" means the lesser of \$_____ or the maximum annual debt service on the Bonds outstanding at the time of calculation.

"Defeasance Securities" means:

- (a) Federal Securities;
- (b) obligations of the Resolution Funding Corporation or any successor, but only if the use of the obligations to pay and discharge Bonds pursuant to Article XI will cause the discharged Bonds to be rated in the highest long-term rating category by the Rating Agency; or
- (c) obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any state that:
 - (1) are not callable at the option of the obligor prior to maturity or for which irrevocable instructions have been given by the obligor to call on the date specified in the instructions, and
 - (2) are fully secured as to principal, redemption premium and interest by a fund, consisting of cash or Federal Securities, that:
 - (A) may be applied only to the payment of principal, redemption premium and interest on the obligations, and

(B) is sufficient, as verified by a nationally recognized independent certified public accountant, to pay the principal, redemption premium and interest on the obligations.

“Depreciation and Replacement Account” means the fund or account created or ratified and confirmed by Section 401.

“DTC” means The Depository Trust Company of New York, New York.

“Federal Securities” means any direct obligation of, or obligation the timely payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America and backed by its full faith and credit.

“Fiscal Year” means the fiscal year of the City, currently the twelve-month period beginning October 1 and ending September 30.

“Interest Payment Date” means the stated maturity of an installment of interest on any Bond.

“Maturity” when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable, whether at stated maturity or by call for redemption or otherwise, as therein and herein provided.

“Net Revenues” means Revenues less Current Expenses.

“Net Revenues Available for Debt Service” means, for the period of determination, Revenues less Current Expenses.

“Operation and Maintenance Account” means the fund or account created or ratified and confirmed by Section 401.

“Ordinance” means this Ordinance as from time to time amended in accordance with its terms.

“Outstanding” means, as of the date of determination, all Bonds issued and delivered under this Ordinance, except:

(1) Bonds cancelled by the Paying Agent or delivered to the Paying Agent for cancellation;

(2) Bonds for the payment of the principal or redemption price of and interest on which money or Defeasance Securities are held under Section 1101;

(3) Bonds in exchange for which, or in lieu of which, other Bonds have been registered and delivered pursuant to this Ordinance; and

(4) Bonds allegedly mutilated, destroyed, lost, or stolen and paid under Section 208.

“Outstanding Parity Bond Debt Service Account” means the debt service account for any Parity Bonds.

“Outstanding Parity Bond Debt Service Reserve Account” means the debt service reserve account for any Parity Bonds.

“Owner” means the Bondowner.

“Parity Bonds” means the Outstanding Parity Bonds and any parity bonds issued under Section 802 payable from the Net Revenues on a parity basis with the Bonds.

“Parity Ordinances” means the Outstanding Parity Bond Ordinances and the Ordinances under which any other Parity Bonds are issued.

“Participant” means any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Participating Underwriter” shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

“Paying Agent” means The Bank of New York Mellon Trust Company, N.A., and any successors and assigns.

“Permitted Investments” means any of the following securities and obligations, if and to the extent the same are at the time legal for investment of the City’s funds:

- (a) United States Government Obligations;
- (b) direct obligations of any agency or instrumentality of the United States of America;
- (c) bonds, notes or other obligations of the State of Missouri, or any political subdivision of the State of Missouri, rated by Standard & Poor's Ratings Services and Moody's Investors Service in the two highest rating categories;
- (d) repurchase agreements with any bank, bank holding company, savings and loan association, trust company, or other financial institution rated by Standard & Poor's Ratings Services and Moody's Investors Service in the two highest rating categories and organized under the laws of the United States or any state, that are continuously and fully secured by any one or more of the securities described in clause (a), (b) or (c) above and have a market value, exclusive of accrued interest, at all times at least equal to the principal amount of such repurchase agreement and are held in a custodial or trust account for the benefit of the City;
- (e) certificates of deposit, time deposits, or interest bearing accounts of any bank or savings and loan company organized under the laws of the United States or any state, provided that such certificates of deposit, time deposits or interest bearing accounts shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) to the extent not insured by the Federal Deposit Insurance Company, are fully insured by United States Government Obligations;
- (f) money market funds comprised of any of the investments set forth in paragraphs (a) through (e) above;

(g) such other investments as the Director of Finance of the City is authorized to purchase as investment instruments pursuant to the City's investment policy.

“Person” means any natural person, corporation, partnership, firms joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

“Project” means capital improvements including constructing, extending, expanding, improving, repairing, replacing and equipping the System.

“Project Account” means the account by that name created in Section 402 hereof.

“Purchaser” means, [BOND PURCHASER], the original purchaser of the Bonds.

“Rebate Fund” means the fund by that name created in Section 402 hereof.

“Record Date” for the interest payable on any interest payment date means the 15th day (whether or not a Business Day) of the calendar month next preceding such interest payment date.

“Representation Letter” means any applicable Representation Letter from the City or the Paying Agent to DTC with respect to the Bonds.

“Revenue Fund” means the fund or account created or ratified and confirmed by Section 401.

“Revenues” means all income and revenues derived by the City from the System, including investment and rental income, net proceeds from business interruption insurance, sales tax revenues which have been annually appropriated by the City or which are limited solely to the payment of improvements to or expenses of the System, any amounts deposited in escrow in connection with the acquisition, construction, remodeling, renovation and equipping of facilities to be applied during the period of determination to pay interest on System Revenue Bonds, but excluding any profits or losses on the early extinguishment of debt or on the sale or other disposition of investments or fixed or capital assets not in the ordinary course of business.

“SRF Indenture” means the Indentures securing the SRF Program Bonds.

“SRF Program Bonds” means the Series 1992B Bonds, the Series 1999A Bonds, the Series 1999B Bonds, the Series 2000B Bonds, the Series 2003A Bonds, the Series 2004B Bonds, the Series 2006B Bonds and the Series 2007B Bonds.

“State” means the State of Missouri.

“Surplus Account” means the fund or account created or ratified and confirmed by Section 401.

“System Revenue Bonds” means collectively the Bonds, the Parity Bonds, the SRF Program Bonds and all other revenue bonds which are payable from the Net Revenues.

“Tax Compliance Agreement” means the Tax Compliance Agreement dated as of the date of issuance of the Bonds entered into by the City, as amended and supplemented in accordance with the provisions thereof.

**ARTICLE II
AUTHORIZATION OF BONDS**

Section 201. Authorization of Bonds. There shall be issued and hereby are authorized and directed to be issued the Sewerage System Revenue Bonds, Series 2012, of the City in the principal amount of \$9,980,000* (the “**Bonds**”), for the purpose of extending and improving the System. The Bonds herein authorized shall be issued pursuant to Article VI, Section 27 of the Missouri Constitution, the provisions of Section 108.140 and Chapter 250 of the Missouri Revised Statutes, as amended, and all laws amendatory thereof and supplemental thereto, and other applicable provisions of law, the voter authorization pursuant to the 2008 Election, and the provisions of the Outstanding Parity Bond Ordinances.

Section 202. Security for Bonds. The Bonds are special, limited obligations of the City payable solely from, and secured by a pledge of, the Net Revenues. The taxing power of the City is not pledged to the payment of the Bonds. The Bonds do not constitute a general obligation of the City or an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction. The Bonds are issued on a parity with the Outstanding Parity Bonds.

Section 203. Description of Bonds. The Bonds shall consist of fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof, numbered from R-1 consecutively upward. The Bonds shall be substantially in the form set forth in Exhibit A attached hereto, and shall be subject to registration, transfer and exchange as provided in Section 206 hereof. The Bonds shall be dated as of the date of their issuance and delivery, shall become due on the following Maturity dates and shall bear interest at the rates per annum, as follows:

<u>Maturity</u> <u>October 1</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>
-------------------------------------	-----------------------------------	--

The Bonds shall bear interest at the above-specified rates (computed on the basis of a 360-day year of twelve 30-day months) from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on October 1 and April 1 in each year, beginning on April 1, 2012.

Each of the Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be in substantially the form set forth in Exhibit A attached hereto

Section 204. Designation of Paying Agent. The Bank of New York Mellon Trust Company, N.A., St. Louis, Missouri, is hereby designated as the City’s paying agent for the payment of principal of and interest on the Bonds and bond registrar with respect to the registration, transfer and exchange of Bonds (herein called the “**Paying Agent**”).

The City will at all times maintain a Paying Agent meeting the qualifications herein described for the performance of the duties hereunder. The City reserves the right to appoint a successor Paying Agent to perform the duties of paying agent and bond registrar by (1) filing with the bank or trust company then performing such function a certified copy of the proceedings giving notice of the termination of such bank or trust company and appointing a successor, and (2) causing notice to be given to each Bondowner. No

resignation or removal of the Paying Agent shall become effective until a successor has been appointed and has accepted the duties of the Paying Agent.

Every Paying Agent appointed hereunder shall at all times be a commercial banking association or corporation or trust company located in the State of Missouri organized and doing business under the laws of the United States of America or of the State of Missouri, authorized under such laws to exercise trust powers and subject to supervision or examination by federal or state regulatory authority.

The Paying Agent shall be paid the usual fees for its services in connection therewith, which fees shall be paid as other expenses are paid.

Section 205. Method and Place of Payment of Bonds. The principal of and interest on the Bonds shall be payable in any coin or currency of the United States of America that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The principal of each Bond shall be paid at Maturity to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the payment office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Person in whose name such Bond is registered on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to such Registered Owner at the address shown on the Bond Register or (b) at such other address as is furnished to the Paying Agent in writing by such Registered Owner or (c) in the case of an interest payment to any Owner of \$100,000 or more in aggregate principal amount of Bonds, by wire transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the wire transfer address (which shall be in the continental United States) to which such Registered Owner wishes to have such wire directed.

Notwithstanding the foregoing provisions of this Section, any defaulted interest with respect to any Bond shall cease to be payable to the Owner of such Bond on the relevant Record Date and shall be payable to the Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified in this paragraph. The City shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such defaulted interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment. Following receipt of such funds the Paying Agent shall fix a special record date for the payment of such defaulted interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment (the “**Special Record Date**”). The Paying Agent shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, shall cause notice of the proposed payment of such defaulted interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Owner of a Bond entitled to such notice at the address of such Owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

The Paying Agent shall keep a record of payment of principal of and interest on all Bonds and shall at least annually forward a copy or summary of such records to the City.

Section 206. Registration, Transfer and Exchange of Bonds. The City covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the office of the Paying Agent for the registration, transfer and exchange of Bonds as herein provided. Each Bond when issued shall be registered in the name of the Owner thereof on the Bond Register kept by the Paying Agent. Bonds may be transferred and exchanged only on the Bond Register maintained by the Paying Agent as provided in this Section. Upon surrender of any Bond at the principal corporate trust office of the Paying Agent, the Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent. All Bonds presented for transfer or exchange shall be surrendered to the Paying Agent for cancellation.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. The City shall pay the fees and expenses of the Paying Agent for the registration, transfer and exchange of Bonds provided for by this Ordinance and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Paying Agent, are the responsibility of the Registered Owners of the Bonds.

The City and the Paying Agent shall not be required to register the transfer or exchange any Bond during a period beginning at the opening of business on the day after receiving written notice from the City of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to Section 205 hereof.

The City and the Paying Agent may deem and treat the Person in whose name any Bond shall be registered in the Bond Register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on said Bond and for all other purposes. All payments so made to any such Registered Owner or upon the Registered Owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

At reasonable times and under reasonable regulations established by the Paying Agent, the Bond Register may be inspected and copied by the Owners (or a designated representative thereof) of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Owners to be evidenced to the satisfaction of the Paying Agent.

Section 207. Execution, Authentication and Delivery of Bonds. Each of the Bonds, including any Bonds issued in exchange or as substitution for the Bonds initially delivered, shall be signed by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the City Clerk, and countersigned by the manual or facsimile signature of the Director of Finance of the City, and shall have the official seal of the City affixed thereto or imprinted thereon. In case any officer whose signature appears on any Bonds shall cease to be such officer before the delivery of such Bonds,

such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The Mayor, City Clerk and Director of Finance are hereby authorized and directed to prepare and execute the Bonds as herein specified, and when duly executed, to deliver the Bonds to the Paying Agent for authentication.

The Bonds shall have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibit A attached hereto, which shall be manually executed by an authorized officer or employee of the Paying Agent, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Bond shall be entitled to any security or benefit under this Ordinance or be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Paying Agent. Such executed certificate of authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Ordinance. Upon authentication, the Paying Agent shall deliver the Bonds to the Purchaser of the Bonds, upon payment of the purchase price thereof.

Section 208. Mutilated, Destroyed, Lost and Stolen Bonds. If (a) any mutilated Bond is surrendered to the Paying Agent, or the City and the Paying Agent receive evidence to their satisfaction of the mutilation, destruction, loss or theft of any Bond, and (b) there is delivered to the City and the Paying Agent such security or indemnity as may be required by each of them, then, in the absence of notice to the City or the Paying Agent that such Bond has been acquired by a bona fide purchaser, the City shall execute and, upon the City's request, the Paying Agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Maturity and of like tenor and principal amount.

In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the City, in its discretion may pay such Bond instead of issuing a new Bond.

Upon the issuance of any new Bond under this Section, the City may require the payment by the Registered Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Every new Bond issued pursuant to this Section shall constitute a replacement of the prior obligation of the City, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds.

Section 209. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately upon the payment and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Bonds so cancelled and destroyed and shall file an executed counterpart of such certificate with the City.

Section 210. Securities Depository.

(a) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. The Paying Agent and the City may treat DTC (or its nominee) as the sole and exclusive Owner of the Bonds registered in its name for the purposes of payment of the principal of, premium, if any, or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners of Bonds under this Ordinance, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Paying Agent nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the Bond Register as being a Owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of, premium, if any, or interest on the Bonds, with respect to any notice which is permitted or required to be given to Owners of Bonds under this Ordinance, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as the Owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Paying Agent shall pay all principal of, premium, if any, and interest on such Bonds, and shall give all notices with respect to such Bonds, only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC, or the Paying Agent on behalf of DTC, shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (d) hereof.

(b) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates, the City may notify DTC and the Paying Agent, whereupon DTC shall notify the Participants of the availability through DTC of Bond certificates. In such event, the Bonds will be transferable in accordance with paragraph (d) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Paying Agent and discharging its responsibilities with respect thereto under applicable law. In such event, the Bonds will be transferable in accordance with paragraph (d) hereof. The City and the Paying Agent shall be entitled to rely conclusively on the information provided to each of them by DTC and its Participants as to the names of the beneficial owners of the Bonds.

(c) The execution and delivery of the Representation Letter to DTC by the City Manager, Director of Finance, City Clerk or other authorized officer of the City, in the form presented to the City Council of the City herewith, with such changes, omissions, insertions and revisions as the officers of the City signing such Representation Letter shall deem advisable, is hereby authorized, and execution of the Representation Letter by such officers of the City shall be conclusive evidence of such approval. The Representation Letter shall set forth certain matters with respect to, among other things, notices, consents and approvals by Owners of the Bonds and Beneficial Owners and payments on the Bonds. The Paying Agent shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this Ordinance.

(d) In the event that any transfer or exchange of Bonds is permitted under paragraph (a) or (b) hereof, such transfer or exchange shall be accomplished upon receipt by the Paying Agent of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this Ordinance. In the event Bond certificates are issued to holders other than Cede & Co., or its successor as nominee for DTC as holder of all of the Bonds, the provisions of this Ordinance shall also apply to all matters relating thereto, including, without limitation, the printing of such certificates and the method of payment of principal of and interest on such certificates.

Section 211. Acceptance of Proposal and Award of Bonds. The Bonds, bearing interest as set forth in Section 201 hereof, shall be and are hereby awarded to the Purchaser. The Mayor, City Clerk and Director of Finance are hereby authorized and directed to prepare and execute the Bonds as herein specified, and when duly executed, to deliver the Bonds to the Paying Agent for authentication and delivery to the respective Purchaser in exchange for the purchase price thereof in an amount equal to \$_____, which is the principal amount plus net original issue premium of \$_____ and less discount of \$_____.

ARTICLE III REDEMPTION OF BONDS

Section 301. Redemption.

(a) *Optional Redemption.* At the option of the City, the Bonds maturing on October 1, 20__ and thereafter are subject to optional redemption and payment prior to their Maturity, on October 1, 20__, and thereafter, in whole or in part on any date in any order of maturity selected by the City and by lot in multiples of \$5,000 within a maturity, at a redemption price of 100% of the principal amount being redeemed, without premium, together with accrued interest thereon to the date of redemption.

(b) *Mandatory Sinking Fund Redemption.* The Bonds maturing October 1, 20__, October 1, 20__ and October 1, 20__ (collectively, the “**Term Bonds**”), shall be subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of this Section 302, at the principal amount thereof plus accrued interest to the redemption date, without premium. The City shall redeem, on October 1 in each of the following years, the following principal amounts of such Term Bonds:

Term Bonds maturing October 1, 20__

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

*

* Maturity

Term Bonds maturing October 1, 20__

<u>Year</u>	<u>Principal Amount</u>
*	

* Maturity

Term Bonds maturing October 1, 20__

<u>Year</u>	<u>Principal Amount</u>
*	

* Maturity

The Paying Agent shall, in each year in which Term Bonds are to be redeemed pursuant to the terms of this Section 301, make timely selection of such Term Bonds or portions thereof to be so redeemed and shall give notice thereof as provided in Section 302 of this Article without further instructions from the City. The Paying Agent may, upon instructions from the City, use moneys on hand in the Debt Service Account for the Bonds at any time to purchase Term Bonds in the open market at a price not in excess of their principal amount plus accrued interest, and each Term Bond so purchased shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem Term Bonds of the same maturity on the next mandatory redemption date applicable to such Term Bonds, and the principal amount of Term Bonds of such maturity to be redeemed by operation of this Section 301 shall be reduced accordingly. At its option, to be exercised on or before the 60th day next preceding October 1 in the years in which Term Bonds are required by the terms of this Section 301 to be redeemed, the City may: (i) deliver to the Paying Agent for cancellation Term Bonds in the aggregate principal amount desired; or (ii) furnish to the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any of said Term Bonds from any Owner thereof whereupon the Paying Agent shall expend such funds for such purposes to such extent as may be practical; or (iii) receive a credit in respect to the mandatory redemption obligation of the City under this Section 301 for any Term Bonds of the same maturity which prior to such date have been redeemed (other than through the operation of the requirements of this Section 301) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this Section 301. Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem Term Bonds of the same maturity on such redemption date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds of the same maturity in chronological order and the principal amount of Term Bonds of the same maturity to be redeemed by operation of the requirements of this Section 301 shall be accordingly reduced. If the City intends to exercise the option granted by the provisions of clauses (i), (ii) or (iii) of this paragraph, the City will, on or before the 60th day next preceding each October 1 in the years in which Term Bonds are required by the terms of this Section 301 to be redeemed, furnish the Paying Agent a certificate signed

by a representative of the City indicating to what extent the provisions of said clauses (i), (ii) and (iii) are to be complied with in respect to such mandatory redemption payment.

Section 302. Notice of Redemption. Notice of the City's intent to redeem Bonds (including, when only a portion of the Bonds are to be redeemed, the maturities of such Bonds and the principal amounts thereof) shall be given by or on behalf of the City by United States registered or certified mail, postage prepaid, to the Paying Agent, said notice to be mailed not less than forty-five (45) days prior to the date fixed for redemption. Notice of the selection or call for redemption identifying the Bonds or portions thereof to be redeemed, shall be given by the Paying Agent on behalf of the City by mailing a copy of the redemption notice at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption by registered or certified mail to the Purchaser and by first class, registered or certified mail to the Owner of each Bond to be redeemed in whole or in part at the address shown on the registration books; and a second notice of redemption shall be sent by certified mail, return receipt requested, at such address to the Owner of any Bond who has not submitted his Bond to the Paying Agent for payment on or before the date sixty (60) days following the date fixed for redemption; provided, however, that neither any defect in giving such notice by mailing as aforesaid nor any defect in any notice so mailed shall affect the validity of any proceeding for the redemption of any Bond. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

Each notice of redemption shall state (i) the complete official caption, including the Bond series, of the Bonds; (ii) the date of mailing of the notice of redemption, (iii) the date fixed for redemption; (iv) the redemption price or prices; (v) the CUSIP numbers of all Bonds being redeemed; (vi) in the case of a partial redemption of Bonds, the principal amount of each Bond being redeemed; (vii) the date of issue of the Bonds as originally issued; (viii) the rate or rates of interest borne by each Bond being redeemed; (ix) the maturity date of each Bond being redeemed; (x) the place or places where amounts due upon such redemption will be payable; (xi) the notice shall be void and of no effect in the event the Paying Agent does not have sufficient money to pay the redemption price of the Bonds on the redemption date; and (xii) the address and telephone number of the contact person at the office of the Paying Agent with respect to such redemption. The notice shall require that such Bonds be surrendered at the principal corporate trust office of the Paying Agent for redemption at the redemption price and shall state that further interest on such Bonds will not accrue from and after the redemption date, provided the Paying Agent has on deposit sufficient funds to redeem the Bonds on such date.

Notice of such redemption shall also be sent by certified mail, return receipt requested, overnight delivery service or other secure means (including telecopier transmission), postage prepaid, to certain municipal registered securities depositories which are known to the Paying Agent to be holding Bonds and at least two of the national information services that disseminate securities redemption notices, when possible, at least two days prior to the mailing of notice required by the first paragraph above, but in any event at least thirty (30) days prior to the redemption date; provided that neither the failure to send such notice as aforesaid nor any defect in such notice shall affect the validity or sufficiency of the proceedings for the redemption of such Bonds.

Section 303. Selection of Bonds to Be Redeemed. Bonds shall be selected for redemption as follows:

(a) Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. When less than all of the Outstanding Bonds of any maturity are to be redeemed and paid prior

to maturity, such Bonds shall be selected by the Paying Agent by lot in \$5,000 units of face value in such equitable manner as the Paying Agent may determine.

(b) In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than \$5,000 are then Outstanding, then for all purposes in connection with such redemption each \$5,000 of face value shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any Bond is selected for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the Owner of such Bond or his attorney or legal representative shall forthwith present and surrender such Bond to the Paying Agent (1) for payment of the redemption price (including the premium, if any, and interest to the date fixed for redemption) of the \$5,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond of a denomination greater than \$5,000 shall fail to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only).

Section 304. Effect of Call for Redemption. Whenever any Bond is called for redemption and payment as provided in this Article, all interest on such Bond shall cease from and after the date for which such call is made, provided funds are available for its payment at the price hereinbefore specified.

ARTICLE IV RATIFICATION OF FUNDS AND ACCOUNTS

Section 401. Ratification of Funds and Accounts.

(a) The separate funds and accounts created in, or ratified and confirmed by, the Series 1992A Ordinance known respectively as the:

- (1) Sewer Revenue Account (the **“Revenue Fund”**);
 - (2) Sewer Operation and Maintenance Account (the **“Operation and Maintenance Account”**);
 - (3) Sewer Contingency Account (the **“Depreciation and Replacement Account”**);
- and
- (4) Sewer Surplus Account (the **“Surplus Account”**);
 - (5) Debt Service Account for Sewerage System Revenue Bonds, Series 1992 (the **“Series 1992A Debt Service Account”**); and
 - (6) Debt Service Reserve Account for Sewerage System Revenue Bonds, Series 1992 (the **“Series 1992A Debt Service Reserve Account”**);

are ratified and confirmed.

(b) The separate accounts acknowledged under the Series 1992B Ordinance known respectively as the:

(1) Interest Subaccount, Principal Subaccount and Debt Service Account for the Series 1992B Bonds (collectively the “**Series 1992B Debt Service Account**”); and

(2) Reserve Account for the Series 1992B Bonds (the “**Series 1992B Debt Service Reserve Account**”);

are acknowledged..

(c) The separate accounts acknowledged the Series 1999A Ordinance known respectively as the:

(1) Interest Subaccount, Principal Subaccount and Debt Service Account for the Series 1999A Bonds (collectively the “**Series 1999A Debt Service Account**”); and

(2) Reserve Account for the Series 1999A Bonds (the “**Series 1999A Debt Service Reserve Account**”);

are acknowledged.

(d) The separate accounts acknowledged under the Series 1999B Ordinance known respectively as the:

(1) Debt Service Account, Principal Subaccount and Interest Subaccount (the “**Series 1999B Debt Service Account**”); and

(2) Reserve Account (the “**Series 1999B Debt Service Reserve Account**”);

are acknowledged.

(e) The separate accounts acknowledged under the Series 2000B Ordinance known respectively as the:

(1) Debt Service Account, Principal Subaccount and Interest Subaccount (the “**Series 2000B Debt Service Account**”); and

(2) Reserve Account (the “**Series 2000B Debt Service Reserve Account**”);

are acknowledged.

(f) The separate accounts created under the Series 2001 Ordinance known respectively as the:

(1) Debt Service Account for Special Obligation Capital Improvement Bonds, Series 2001A (the “**Series 2001A Debt Service Account**”); and

(2) Debt Service Reserve Account for Special Obligation Capital Improvement Bonds, Series 2001A (the “**Series 2001A Debt Service Reserve Account**”);

are ratified and confirmed.

(g) The separate accounts acknowledged under the Series 2002A Ordinance known respectively as the:

(1) Debt Service Account, Principal Subaccount and Interest Subaccount (the “**Series 2002A Debt Service Account**”); and

(2) Reserve Account (the “**Series 2002A Debt Service Reserve Account**”);

are acknowledged.

(h) The separate accounts created under the Series 2002 Ordinance known respectively as the:

(1) Debt Service Account for Sewer System Refunding Revenue Bonds, Series 2001A (the “**Series 2002 Debt Service Account**”); and

(2) Debt Service Reserve Account for Sewer System Refunding Revenue Bonds, Series 2002 (the “**Series 2002 Debt Service Reserve Account**”);

are ratified and confirmed.

(i) The separate accounts acknowledged under the Series 2003A Ordinance known respectively as the:

(1) Debt Service Account, Principal Subaccount and Interest Subaccount (the “**Series 2003A Debt Service Account**”); and

(2) Reserve Account (the “**Series 2003A Debt Service Reserve Account**”);

are acknowledged

(j) The separate accounts acknowledged under the Series 2004B Ordinance known respectively as the:

(1) Debt Service Account, Principal Subaccount and Interest Subaccount (the “**Series 2004B Debt Service Account**”); and

(2) Reserve Account (the “**Series 2004B Debt Service Reserve Account**”);

are acknowledged.

(k) The separate accounts created under the Series 2006 Ordinance known respectively as the:

(1) Debt Service Account for Special Obligation Capital Improvement Bonds, Series 2006 (the “**Series 2006 Debt Service Account**”); and

(2) Debt Service Reserve Account for Special Obligation Capital Improvement Bonds, Series 2006 (the “**Series 2006 Debt Service Reserve Account**”);

are ratified and confirmed.

(l) The separate accounts acknowledged under the Series 2006B Ordinance known respectively as the:

(1) Debt Service Account, Principal Subaccount and Interest Subaccount (the “**Series 2006B Debt Service Account**”); and

(2) Reserve Account (the “**Series 2006B Debt Service Reserve Account**”);

are acknowledged.

(m) The separate accounts acknowledged under the Series 2007B Ordinance known respectively as the:

(1) Debt Service Account, Principal Subaccount and Interest Subaccount (the “Series 2007B Debt Service Account”); and

(2) Reserve Account (the “Series 2007B Debt Service Reserve Account”);

are acknowledged.

(n) The separate accounts acknowledged under the Series 2009 Ordinance known respectively as the:

(1) Debt Service Account, Principal Subaccount and Interest Subaccount (the “Series 2009 Debt Service Account”); and

(2) Reserve Account (the “Series 2009 Debt Service Reserve Account”);

are acknowledged.

Section 402. Establishment of Funds and Accounts. There are hereby created and ordered to be established and maintained in the treasury of the City the following separate funds and accounts to be known respectively as the:

(a) Debt Service Account for Sewerage System Revenue Bonds, Series 2012 (the “**Debt Service Account**”) which shall include an Interest Subaccount (the “**Interest Subaccount**”) and a Principal Subaccount (the “**Principal Subaccount**”).

(b) Debt Service Reserve Account for Sewerage System Revenue Bonds, Series 2012 (the “**Debt Service Reserve Account**”).

(c) Project Account for Sewerage System Revenue Bonds, Series 2012 (the “**Project Account**”).

(d) Rebate Fund for Sewerage System Revenue Bonds, Series 2012 (the “**Rebate Fund**”).

Section 403. Administration of Funds and Accounts. The funds and accounts described in clauses (a)(1) through (4) of Section 401 will be maintained and administered by, or on behalf of, the City under this Ordinance and the Outstanding Parity Bond Ordinances while any of the Bonds or the Outstanding Parity Bonds remain outstanding. The funds or accounts described in clauses (b) through (m) of Section 401 will be maintained and administered by the City while any of the Bonds of the series to which such funds or accounts relate remain Outstanding and unpaid. The funds and accounts referred to in paragraphs (a) through (d) of Section 402 hereof shall be maintained and administered by the City or the Paying Agent, as the case may be, solely for the purposes and in the manner as provided in this Ordinance so long as any of the Bonds remain outstanding within the meaning of this Ordinance. The Director of Finance of the City may allocate such funds and accounts on the books and records of the City as deemed necessary or desirable to reflect the sources of revenues and projects to be funded from the Bonds.

ARTICLE V APPLICATION OF BOND PROCEEDS

Section 501. Disposition of Bond Proceeds. The proceeds received from the sale of the Bonds, including any premium or accrued interest thereon, shall be deposited simultaneously with the delivery of the Bonds as follows:

- (a) The accrued interest and premium, if any, shall be deposited in the Debt Service Account.
- (b) The sum of \$_____ shall be deposited in the Debt Service Reserve Account.
- (c) The remaining proceeds of the Bonds shall be deposited in the Project Account.

Section 502. Reserved.

Section 503. Application of Moneys in the Project Account. Moneys in the Project Account shall be used solely for the purpose of (a) paying the costs incurred by the City to in constructing, extending, expanding, improving, repairing, replacing and equipping the Sewer System as capital improvements constituting the Project in accordance with the plans and specifications therefor prepared by the City, including any alterations in or amendments to said plans and specifications deemed advisable and approved by the City Council of the City, and (b) for paying certain expenses incident to the issuance of the Bonds. Upon completion of the capital improvements constituting the Project, any surplus moneys remaining in such subaccount and not required for the payment of unpaid costs thereof shall be deposited in the Debt Service Account.

Section 504. Revenue Fund. The City covenants and agrees that from and after the delivery of the Bonds, all Revenues derived and collected by the City will be deposited into the Revenue Fund when received. The Revenues will be segregated from all other moneys, revenues, funds and accounts of the City. The Revenue Fund will be administered and applied solely for the purposes and in the manner provided in this Ordinance and any Parity Ordinance.

Section 505. Application of Moneys in Funds and Accounts.

(a) The City will apply moneys in the Revenue Fund on the dates, in the amounts and in the order as follows:

(1) on the first day of each month to the Operation and Maintenance Account an amount sufficient to pay the estimated cost of operating and maintaining the System during the month;

(2) on the 25th day of each month, on a parity basis (i) to the Outstanding Parity Bond Debt Service Account the amount required by the Outstanding Parity Bond Ordinances to be deposited therein prior to the 25th day of the following month, and (ii) to the Debt Service Account the following amounts for credit to the Interest Subaccount and the Principal Subaccount:

(A) to the Interest Subaccount 1/6 of the amount of interest due on the Parity Bonds on the next Interest Payment Date (or, with respect to the first Interest Payment Date, a pro rata portion of the amount of interest due on the Parity Bonds on such Interest Payment Date); and

(B) to the Principal Subaccount 1/12 of the principal due on the Parity Bonds on the next succeeding principal payment date, whether at maturity or upon mandatory sinking fund redemption (or, with respect to the first principal payment date, a pro rata portion of the principal due on the Parity Bonds on such principal payment date);

(3) on the dates required by the SRF Indenture to the Trustee, for deposit to the Administrative Expense Fund, the amount required to pay the Administrative Fee, the City's Allocable Portion of the Trustee's Fee and the City's Allocable Portion of the Master Trustee's Disclosure Fee as required by the SRF Indenture;

(4) on the first day of each month, to the Outstanding Parity Bond Debt Service Reserve Account as required by each Outstanding Parity Bond Ordinance and to the Debt Service Reserve Account the amount required to first, repay to the issuer of any Debt Service Reserve Account Surety Bond the amount drawn thereon and interest accrued with respect thereto and second, cause the amount on deposit in the Debt Service Reserve Account to equal the Debt Service Reserve Requirement Series 2012; provided that from and after the date of payment in full or defeasance of all Outstanding Parity Bonds any required deposit to the Debt Service Reserve Account to cause the amount on deposit therein to equal the Debt Service Reserve Requirement may be made by the City at anytime within 18 months of the date of the shortfall;

(5) on the first day of each month, to the Depreciation and Replacement Account, (i) the amount required to be deposited pursuant to the Outstanding Parity Bond Ordinances, plus (ii) if the balance in the Depreciation and Replacement Account is less than the Maximum Depreciation and Replacement Account Requirement, 1/12 of the Annual Depreciation and Replacement Account Requirement; and

(6) on the first day of each month the remaining balance to the Surplus Account.

(b) If the amount in the Revenue Fund is not sufficient to make the payments at the time required to be made by the City to the Interest Subaccount, the Principal Subaccount and the Outstanding Parity Bond Debt Service Account, the City will apply the remaining balance in the Revenue Fund on a proportionate basis (based upon the outstanding principal amounts of the Bonds and the Outstanding

Parity Bonds) to the Principal Subaccount, the Interest Subaccount and the Outstanding Parity Bond Debt Service Account. If the amount in the Revenue Fund is not sufficient to make the payments at the time required to be made by the City to the Interest Subaccount, the Principal Subaccount and the Outstanding Parity Bond Debt Service Account, the City shall withdraw moneys from the Debt Service Reserve Account for transfer to the Debt Service Account in the amount necessary to prevent a default in the payment of either principal of or interest on the Bonds.

(c) If the amount in the Revenue Fund is not sufficient to make the payments at the time required to be made by the City to the Debt Service Reserve Account and to the Outstanding Parity Bond Debt Service Reserve Account, the City will divide the balance in the Revenue Fund between the Debt Service Reserve Account and the Outstanding Parity Bond Debt Service Reserve Account on a proportionate basis (based upon the outstanding principal amounts of the Bonds and the Outstanding Parity Bonds).

(d) Except as provided in Section 603, moneys in the Depreciation and Replacement Account will be used by the City for the purpose of making replacements and repairs to the System in order to keep the System in good repair and working order and to assure the continued effective and efficient operation of the System. This provision will not be construed to modify any more restrictive provision of the Outstanding Parity Bond Ordinances for the use of moneys in the Depreciation and Replacement Account.

(e) Moneys in the Surplus Account are to be expended for the following purposes as determined by the City:

(1) paying the cost of the operation, maintenance and repair of the System to the extent necessary after the application of the moneys held in the Operation and Maintenance Account and in the Depreciation and Replacement Account;

(2) paying the cost of extending, enlarging or improving the System;

(3) preventing default in, anticipating payments into or increasing the amounts in the accounts confirmed, acknowledged or established in Section 401 and 402, or establishing or increasing the amount of any debt service account or debt service reserve account created by the City for the payment of any System Revenue Bonds subsequently issued;

(4) redeeming and paying prior to maturity, or, at the option of the City, purchasing in the open market at the best price obtainable (not exceeding the call price if any bonds are callable), the Bonds, the Outstanding Parity Bonds or any other System Revenue Bonds of the City hereafter issued under the conditions hereinafter specified and standing on a parity with the Bonds, including principal, redemption premium, if any, and interest; or

(5) applying amounts for any other lawful purpose connected with the System as the City may direct from time to time.

(f) All amounts paid and credited to the Operation and Maintenance Account will be expended solely for the purpose of paying the Current Expenses of the System.

(g) No moneys derived by the City from the System will be diverted to the general governmental or municipal functions of the City.

Section 506. Deficiency of Payments into Funds and Accounts.

(a) If the Revenues are insufficient to make any payment on any date specified in this Article, the City will make good the amount of the deficiency by making additional payments out of the first available Revenues for application in the order specified in Section 602.

(b) If the moneys in the Outstanding Parity Bond Debt Service Account, the Outstanding Parity Bond Debt Service Reserve Account, the Debt Service Account or the Debt Service Reserve Account are not sufficient to pay the principal of and interest on the Outstanding Parity Bonds and the Bonds as and when the same become due, the City will apply moneys in the Surplus Account and the Depreciation and Replacement Account on a proportionate basis (based upon the outstanding principal amounts of the Bonds and the Outstanding Parity Bonds) to the Debt Service Account and the Outstanding Parity Bond Debt Service Account to prevent any default in the payment of the principal of and interest on the Bonds and the Outstanding Parity Bonds.

Section 507. Transfer of Funds to Paying Agent. The Director of Finance is authorized and directed to make the payments to the Debt Service Account as provided in Section 602, and, to the extent necessary to prevent a default in the payment of the Bonds, from the Debt Service Reserve Account, the Surplus Account and the Depreciation and Replacement Account as provided in Sections 602 and 603, sums sufficient to pay the Bonds when due, and to forward amounts to the Paying Agent in a manner which ensures the Paying Agent will have sufficient available funds on or before the second Business Day immediately preceding the dates when payments on the Bonds are due. Upon the payment of all principal and interest on the Bonds, the Paying Agent will return any excess funds to the City. Except as otherwise provided in the Indenture, all moneys deposited by the City with the Paying Agent are subject to the provisions of this Ordinance.

Section 508. Debt Service Reserve Account and Debt Service Reserve Account Surety Bond. Moneys in the Debt Service Reserve Account will be disbursed and expended by the City solely for the payment of the principal of, redemption premium, if any, and interest on the Bonds if sufficient moneys are not available in the Debt Service Account.

Such account is required to be funded on the date of issuance and delivery of the Bonds in an amount equal to the Debt Service Reserve Requirement Series 2012. The Debt Service Reserve Requirement Series 2012 shall be deemed to be met so long as there is on deposit in the Debt Service Reserve Account either, or any combination of, cash, Permitted Investments or a Debt Service Reserve Account Surety Bond meeting the requirements of this Section.

The City or the Paying Agent, as applicable, shall draw upon or make a claim under each Debt Service Reserve Account Surety Bond, in accordance with the terms and conditions thereof, as needed to pay the principal of and interest on the Bonds as and when due if funds are not otherwise available therefor and as required by the provisions set forth below. Where the Debt Service Reserve Account contains both a Debt Service Reserve Account Surety Bond and cash or Permitted Investments, all cash and Permitted Investments shall be drawn down completely before a demand for payment is made upon the Debt Service Reserve Account Surety Bond. In the event the Debt Service Reserve Account contains more than one Debt Service Reserve Account Surety Bond, there shall be a pro-rata draw on each of said Debt Service Reserve Account Surety Bonds unless otherwise provided in the Debt Service Reserve Account Surety Bonds.

Each Debt Service Reserve Account Surety Bond shall be issued by a bank or insurance company, as applicable, with a credit rating at the time of issuance in one of the two highest rating categories of Standard & Poor's Rating Service or Moody's Investors Service, provided that the City shall provide to the Paying Agent a written confirmation that the terms of such Debt Service Reserve Account Surety Bond shall not adversely affect the rating of the Bonds.

The City or the Paying Agent, as applicable, shall make a drawing on each Debt Service Reserve Account Surety Bond (A) whenever moneys are required for the purposes for which moneys in the Debt Service Reserve Account may be applied, and (B) prior to any expiration or termination thereof; provided, that no such drawing need be made if (i) other moneys or Permitted Investments and/or a substitute Debt Service Reserve Account Surety Bond meeting the requirements set forth in this section are available in the Debt Service Reserve Account such that the amount on deposit therein is equal to the Debt Service Reserve Requirement Series 2012, or (ii) moneys are no longer required to be held on deposit in the Debt Service Reserve Account.

Section 509. Application of Moneys in the Rebate Fund.

(a) There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Compliance Agreement. All money at any time deposited in the Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Tax Compliance Agreement), for payment to the United States of America, and neither the City nor the Registered Owner of any Bond shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and the Tax Compliance Agreement.

(b) The City shall periodically determine the arbitrage rebate under Section 148(f) of the Code in accordance with the Tax Compliance Agreement, and the City shall make payments to the United States at the times and in the amounts determined under the Tax Compliance Agreement. Any funds remaining in the Rebate Fund after redemption and payment of all of the Bonds and the interest thereon and required payment of any arbitrage rebate, or provision made therefor, shall be released to the City.

(c) Notwithstanding any other provision of this Ordinance, including in particular Article X hereof, the obligation to pay arbitrage rebate to the United States and to comply with all other requirements of this Section and the Tax Compliance Agreement shall survive the payment in full of the Bonds.

**ARTICLE VI
DEPOSIT AND INVESTMENT OF MONEYS**

Section 601. Investment of Moneys.

(a) Moneys in each of the other funds and accounts created or ratified and confirmed by this Ordinance may be invested by the City in Permitted Investments, but no investment will be made for a period extending longer than the date when the moneys invested may be needed. All earnings on any investments held in any fund or account will accrue to the applicable fund or account. In determining the amount held in any fund or account under this Ordinance other than the Debt Service Reserve Account,

obligations will be valued at the lower of cost or market value. In determining the amount held in the Debt Service Reserve Account under this Ordinance, obligations will be valued at the cost thereof and any Debt Service Reserve Account Surety Bond shall be valued at the maximum amount remaining to be drawn thereunder. If the amount in any fund or account held within the Treasury of the City is greater than the required amount, the City may transfer the excess to the Revenue Fund.

(b) So long as any Outstanding Parity Bonds are outstanding, any investments made pursuant to this Section are subject to more restrictive provisions in the Outstanding Parity Bond Ordinance.

ARTICLE VII PARTICULAR COVENANTS OF THE CITY

Section 701. Efficient and Economical Operation. The City will continuously own and will operate the System in an efficient and economical manner and will keep and maintain the System in good repair and working order.

Section 702. Rate Covenant. The City will fix, establish, maintain and collect rates and charges for the use and services furnished, by or through the System to produce income and revenues sufficient to (a) pay the costs of the operation and maintenance of the System; (b) pay the principal of and interest on the Parity Bonds as and when due; (c) enable the City to have in each Fiscal Year Net Revenues Available for Debt Service of not less than an amount equal to the sum of (i) 110% of the amount required to be paid by the City in the Fiscal Year on account of both principal of and interest on all System Revenue Bonds at the time outstanding and (ii) the amount then owed to the issuer of any Debt Service Reserve Account Surety Bond in connection with any amount drawn thereon or required to replenish any Outstanding Parity Bond Debt Service Reserve Account as required by the related Parity Ordinance, and (d) provide reasonable and adequate reserves for the payment of the Bonds and the interest thereon and for the protection and benefit of the System as provided in this Ordinance. The City will require the prompt payment of accounts for service rendered by or through the System and will promptly take whatever action is legally permissible to enforce and collect delinquent charges.

Section 703. Reasonable Charges for all Services. None of the facilities or services provided by the System will be furnished to any user (excepting the City itself) without a reasonable charge being made therefor. If the income and revenues derived by the City from the System are insufficient to pay the reasonable expenses of operation and maintenance of the System and the principal of and interest on the Bonds when due, the City will pay into the Revenue Fund a fair and reasonable payment in accordance with effective applicable rates and charges for all services or other facilities furnished to the City or any of its departments by the System.

Section 704. Annual Budget. Prior to the commencement of each Fiscal Year, the City will cause a budget setting forth the estimated receipts and expenditures of the System for the next succeeding Fiscal Year to be prepared and filed with the City Clerk. The annual budget will be prepared in accordance with the laws of the State.

Section 705. Annual Audit.

(a) Promptly after the end of each Fiscal Year, the City will cause an audit of the System for the preceding Fiscal Year to be made by a certified public accountant or firm of certified public

accountants employed for that purpose and paid from the Revenues. The annual audit will cover in reasonable detail the operation of the System during the Fiscal Year.

(b) Within 180 days after the end of the City's Fiscal Year, a copy of the annual audit will be filed in the office of the City Clerk. The annual audit will be open to examination and inspection during normal business hours by any taxpayer, any user of the services of the System, any Owner of the Bonds, or anyone acting for or on behalf of the taxpayer, user or Owner.

(c) As soon as possible after the completion of the annual audit, the Governing Body will review the annual, audit, and if the annual audit reveals any breach of this Ordinance, the City agrees to promptly cure the breach.

Section 706. Performance of Duties. The City will faithfully and punctually perform all duties and obligations with respect to the operation of the System now or hereafter imposed upon the City by the Constitution and laws of the State, the provisions of the Outstanding Parity Bond Ordinances and the provisions of this Ordinance.

Section 707. Tax Compliance Agreement. The City Manager or Director of Finance of the City is hereby authorized and directed to execute the Tax Compliance Agreement on behalf of the City in substantially the form on file with the City Clerk.

Section 708. Reserved.

ARTICLE VIII ADDITIONAL BONDS

Section 801. Prior Lien Bonds. The City will not issue any debt obligations payable out of the Net Revenues which are superior in lien, security or otherwise to the Bonds.

Section 802. Parity Lien Bonds or Obligations.

(a) The City will not issue any additional bonds or other long-term obligations payable out of the Net Revenues of the System which stand on a parity or equality with the Bonds unless the following conditions are met:

(1) the City is not in default in the payment of principal or interest on the Bonds or any Parity Bonds or in making any deposit into the funds and accounts under this Ordinance or any Parity Ordinance; and

(2) the City provides a certificate showing either of the following:

(A) the average annual Net Revenues as set forth in the two most recent annual audits for Fiscal Years preceding the issuance of additional bonds, are at least equal to the sum of (i) 110% of the average annual debt service on the System Revenue Bonds, including the additional bonds proposed to be issued, to be paid out of the Net Revenues in all

succeeding Fiscal Years and (ii) the amount then owed to the issuer of any Debt Service Reserve Account Surety Bond in connection with any amount drawn thereon. If the City has made any increase in rates for the use and services of the System and the increase has not been in effect during all of the two Fiscal Years for which annual audits are available, the City may add the additional Net Revenues which would have resulted if the rate increase had been in effect for the entire period to the audited Net Revenues, as certified by the Consultant; or

(B) the estimated average annual Net Revenues Available for Debt Service for the two Fiscal Years immediately following the Fiscal Year in which the improvements to the System being financed by the additional bonds are to be in commercial operation, as certified by the Consultant, is at least equal to the sum of (i) 110% of the average annual debt service on the System Revenue Bonds, including the additional bonds proposed to be issued, to be paid out of the Net Revenues Available for Debt Service in succeeding Fiscal Years following the commencement of commercial operation of the improvements and (ii) the amount then owed to the issuer of any Debt Service Reserve Account Surety Bond in connection with any amount drawn thereon. In determining the amount of estimated Net Revenues Available for Debt Service for the purpose of this subsection, the Consultant may adjust the estimated net income and revenues by adding the estimated increase in Net Revenues Available for Debt Service resulting from any increase in rates for the use and services of the System approved by the City;

(C) the City complies with the provisions of any Parity Ordinances relating to the issuance of Parity Bonds; and

(D) if any amounts are past due and owing to the issuer of any Debt Service Reserve Account Surety Bond with respect to a draw thereon, the issuer of such Debt Service Reserve Account Surety Bonds shall have consented in writing to the issuance of such additional revenue bonds or other obligations on a parity with the Bonds.

(b) If the conditions set forth in this Section are satisfied, the City (i) may issue additional revenue bonds or other obligations of the City on a parity with the Bonds and that enjoy complete equality of the lien on the Net Revenues with the Bonds, (ii) may make equal provision for paying the additional revenue bonds or other obligations from the Revenue Fund, and (iii) may secure the additional revenue bonds or other obligations by funding reasonable System debt service accounts and debt service reserve accounts from the Net Revenues.

Section 803. Junior Lien Bonds. Nothing in this Article prohibits or restricts the right of the City to issue additional revenue obligations, including revenue bonds, for the purpose of extending, improving, enlarging, repairing or altering the System, that are subordinate to the Bonds if at the time of the issuance of the additional revenue obligations the City is not in default in the performance of any covenant or agreement in this Ordinance. If the City is in default in paying either interest on or principal of the Bonds, or if the Reserve Account is not fully funded, the City shall not make any payments on the subordinate revenue obligations until the default is cured. Subject to the limitations in this Section, the

City may make provision for paying the principal of and interest on the subordinate revenue bonds or obligations from moneys in the Revenue Fund.

Section 804. Refunding Bonds. The City may, without complying with the provisions of Section 802, refund any of the Bonds in a manner which provides debt service savings to the City, and the refunding bonds so issued will be on a parity with any of the Bonds that are not refunded and any Parity Bonds. If any Parity Bonds are outstanding, the issuance of any refunding bonds is subject to the applicable restrictions in the Parity Ordinances.

ARTICLE IX DEFAULT AND REMEDIES

Section 901. Event of Default. The City covenants and agrees that if it shall default in the payment of the principal of or interest on any of the Bonds as the same shall become due, and such default shall continue for a period of thirty (30) days, or if the City or its governing body or any of the officers, agents or employees thereof shall fail or refuse to comply with any of the provisions of the Constitution or statutes of the State, or of this Ordinance, at any time thereafter and while such default shall continue, the Owners of 25% in principal amount of the Bonds then Outstanding may, by written notice to the City filed in the office of the City or delivered in person to the Mayor or City Clerk of the City, declare the principal of all Bonds then Outstanding to be due and payable immediately, and upon any such declaration given as aforesaid, all of said Bonds shall become and be immediately due and payable, anything in this Ordinance or in the Bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if at any time after the principal of said Outstanding Bonds shall have been so declared to be due and payable, all arrears of interest upon all of said Bonds, except interest accrued but not yet due on such Bonds, and all arrears of principal upon all of said Bonds shall have been paid in full, and all other defaults, if any, by the City under the provisions of this Ordinance and under the provisions of the statutes of the State shall have been cured, then and in every such case the Owners of 50% in principal amount of the Bonds then Outstanding, by written notice to the City given as hereinbefore specified, may rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any rights consequent thereon.

Section 902. Remedies.

(a) The provisions of this Ordinance constitute a contract between the City and the Owners of the Bonds. The Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding have the right for the equal benefit and protection of all Owners of Bonds similarly situated:

(1) by any proceeding at law or in equity to enforce the rights of the Owner or Owners against the City and its officers, agents and employees, and to compel the performance by the City of its duties and obligations under this Ordinance, the Constitution and the laws of the State;

(2) by any proceeding at law or in equity to require the City, its officers, agents and employees to account as if they were the trustees of an express trust; and

(3) by any proceeding at law or in equity to enjoin any act or thing which is unlawful or in violation of the rights of the Owners of the Bonds.

(b) Any amounts paid on the Bonds to the Owners will be applied first to interest and second to principal, to the extent due and payable.

Section 903. Limitation on Rights of Bondowners. No Owner has any right in any manner whatever by the Owner's action to affect, disturb or prejudice the security granted and provided for in, or enforce any right under, this Ordinance, except in the manner provided in this Ordinance. All proceedings at law or in equity will be for the equal benefit of all Owners.

Section 904. Remedies Cumulative. No remedy conferred upon the Owners is intended to be exclusive of any other remedy. Each remedy is in addition to every other remedy and may be exercised without exhausting any other remedy conferred under this Ordinance. No waiver by any Owner of any default or breach of duty or contract of the City under this Ordinance will affect any subsequent default or breach of duty or contract by the City or impair any rights or remedies thereon. No delay or omission of any Owner to exercise any right or power accruing upon any default will impair any right or power or will be construed to be a waiver of any default. Every substantive right and every remedy conferred upon the Owners of the Bonds by this Ordinance may be enforced and exercised from time to time and as often as may be expedient. If any Owner discontinues any proceeding or the decision in the proceeding is against the Owner, the City and the Owners of the Bonds will be restored to their former positions and rights under this Ordinance.

Section 905. No Obligation to Levy Taxes. Nothing in this Ordinance imposes any duty or obligation on the City to levy any taxes either to meet any obligation incurred under this Ordinance or to pay the principal of or interest on the Bonds.

Section 906. Provisions for Benefit of Issuer of Debt Service Reserve Account Surety Bonds. So long as any Debt Service Reserve Account Surety Bond is outstanding and the issuer there has not failed to comply with its payment obligations thereunder, the issuer of each Debt Service Reserve Account Surety Bond shall have the power to exercise any of the remedies available at law or under this Ordinance other than (A) acceleration of the Bonds or (B) remedies which would adversely affect holders of the Bonds in the event that the City fails to reimburse the issuer of the Debt Service Reserve Account Surety Bond for any draws thereon in accordance with any agreements relating thereto, including pursuant to the Debt Service Reserve Fund Policy Agreement.

ARTICLE X DEFEASANCE

Section 1001. Defeasance. When all of the Bonds shall have been paid and discharged and any amounts owed to any issuer of a Debt Service Reserve Account Surety Bond in connection with a draw thereunder have been paid and discharged, then the requirements contained in this Ordinance, except as otherwise provided in the Tax Compliance Agreement, and the pledge of Net Revenues made hereunder and all other rights granted hereby shall terminate. Bonds shall be deemed to have been paid and discharged within the meaning of this Ordinance if there shall have been deposited with the Paying Agent and Bond Registrar, or other bank located in the State of Missouri and having full trust powers, at or prior to the maturity or redemption date of said Bonds, in trust for and irrevocably appropriated thereto, moneys and/or direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, or securities which represent an undivided interest in such obligations or securities to the extent that the Treasury of the United States of America is ultimately responsible for payment thereof, which, together with the interest to be earned on any such obligations, will be sufficient

for the payment of the principal of said Bonds, the redemption premium thereon, if any, and interest accrued to the date of maturity or redemption, as the case may be, or if default in such payment shall have occurred on such date, then to the date of the tender of such payments, provided always that if any such Bonds shall be redeemed prior to the maturity thereof, the City shall have elected to redeem such Bonds and notice of such redemption shall have been given. Any moneys and obligations which at any time shall be deposited with the Paying Agent and Bond Registrar or other bank by or on behalf of the City, for the purpose of paying and discharging any of the Bonds, shall be and are hereby assigned, transferred and set over to the Paying Agent and Bond Registrar or other bank in trust for the respective Owners of the Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All moneys deposited with the Paying Agent and Bond Registrar or other bank shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Ordinance.

ARTICLE XI AMENDMENTS

Section 1101. Amendments Not Requiring Consent of Bond Owners. The City may from time to time, without the consent of or notice to any of the Bond Owners but with notice to and the consent of the issuer of each Debt Service Reserve Account Surety Bond then in effect, amend this Ordinance as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Ordinance or to make any other change not prejudicial to the Owners;
- (b) to grant to or confer upon the Paying Agent and Bond Registrar or the Bond Owners any additional rights, remedies, powers or authority that may be lawfully granted to or conferred upon the Bond Owners or the Paying Agent and Bond Registrar or either of them;
- (c) to more precisely identify the System or to substitute or add property thereto or release property therefrom;
- (d) to subject to this Ordinance additional revenues, properties or collateral;
- (e) to issue additional sewerage system revenue bonds as provided in Article IX hereof; or
- (f) to secure a rating from Standard & Poor's Corporation or Moody's Investor Service, Inc., provided such changes will not restrict, limit or reduce the obligation of the Issuer to pay the principal of, premium, if any, or interest on the Bonds as provided herein or otherwise materially adversely affect the Owners of the Bonds under this Ordinance.

Section 1102. Amendments Requiring Consent of Bond Owners. The rights and duties of the City and the Bond Owners, and the terms and provisions of the Bonds or of this Ordinance, may be amended or modified at any time in any respect by Ordinance of the City with the written consent of the Owners of not less than two-thirds in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the City Clerk of the City, and the prior written consent of the issuer of each Debt Service Reserve Account Surety Bond then in effect, but no such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Bond;
- (b) effect a reduction in the amount which the City is required to pay by way of principal of or interest on any Bond;
- (c) permit the creation of a lien on the Net Revenues of the System prior or equal to the lien of the Bonds or additional bonds hereafter issued on a parity with the Bonds as hereinbefore provided;
- (d) permit preference or priority of any Bonds over any other Bonds; or
- (e) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Ordinance.

Any provision of the Bonds or of this Ordinance may, however, be amended or modified by Ordinance duly adopted by the governing body of the City at any time in any respect with the written consent of the Owners of all of the Bonds at the time Outstanding.

Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the City Clerk of the City a copy of the Ordinance of the City hereinabove provided for, duly certified, as well as proof of consent to such modification by the Owners of not less than two-thirds in principal amount of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

Section 1103. Consent of Issuer of Debt Service Reserve Account Surety Bond. So long as any Debt Service Reserve Account Surety Bond is outstanding and the issuer there has not failed to comply with its payment obligations thereunder, no amendment to this Ordinance shall be effective without the prior written consent of the issuer of each Debt Service Reserve Account Surety Bond.

ARTICLE XII MISCELLANEOUS PROVISIONS

Section 1201. Notices, Consents and Other Instruments by Bondowners. Any notice, consent, request, direction, approval, objection or other instrument required by this Ordinance to be signed and executed by the Bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Ordinance, and shall be conclusive in favor of the City and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

- (a) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.
- (b) The fact of ownership of Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the registration books of the City maintained by the Paying Agent.

In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Ordinance, Bonds owned by the City shall be disregarded and deemed not to be Outstanding under this Ordinance, except that, in determining whether the Bondowners shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Bondowners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Bondowners the pledgee's right so to act with respect to such Bonds and that the pledgee is not the City.

Section 1202. Severability. If any section or other part of this Ordinance, whether large or small, shall for any reason be held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.

Section 1203. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 1204. Official Statement. The use of the Official Statement dated [SALE DATE], 2012 (the "**Official Statement**"), in substantially the form of the Preliminary Official Statement presented to this meeting of the City Council of the City, by the City in connection with the sale of the Bonds is hereby authorized and ratified and the City Council does hereby approve and consent to the preparation and use by the City and the Purchaser of said Official Statement in connection with the sale of the Bonds and the execution thereof by the Mayor, City Manager or Director of Finance of the City on behalf of the City. The officials of the City have participated in the preparation of such Official Statement and have determined that the Preliminary Official Statement, dated _____, 2012, was true, correct and complete in all material respects as of the date thereof. For the purpose of enabling the Purchaser of the Bonds to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the City hereby deems the information contained in such Preliminary Official Statement to be "**final**" as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1) and the appropriate officials of the City are hereby authorized, if requested, to provide a letter or certification to such effect and to take such further actions or execute such other documents as such officials in their reasonable judgment deem necessary to enable the Purchaser of the Bonds to comply with the requirements of such Rule.

Section 1205. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Ordinance, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an event of default hereunder; however, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section. For purposes of this Section, "**Beneficial Owner**" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

Section 1206. Further Authorization. The Mayor, City Manager, City Clerk and Director of Finance and the other officers of the City are hereby authorized, empowered and directed to do all such acts and things and to execute, acknowledge and deliver all such documents (including, without limiting

the generality of the foregoing, the Debt Service Reserve Fund Policy Agreement, any closing certificate, non-arbitrage certificate or tax compliance agreement in connection with the issuance of the Bonds) as may in his or their discretion be deemed necessary or desirable in order to carry out or comply with the terms and provisions of this Ordinance and the Official Statement and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments or other documents herein approved, authorized and confirmed which they may approve and the execution or taking of such action shall be taken as conclusive evidence of its necessity or advisability. All of the acts and undertakings of such officers which are in conformity with the intent and purposes of this Ordinance, whether heretofore or hereafter taken or done shall be and the same are hereby in all respects, ratified, confirmed and approved. The City Council hereby approves the employment by the City of the services of Thompson Coburn LLP, St. Louis, Missouri, as Bond Counsel.

Section 1207. Effective Date. This Ordinance shall be in full force and effect from and after its passage by the City Council of the City.

PASSED this _____ day of _____, 2012.

ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor

EXHIBIT A
FORM OF BOND

Registered
No. R- _____

Registered
\$ _____

UNITED STATES OF AMERICA
STATE OF MISSOURI
COUNTY OF BOONE

CITY OF COLUMBIA

SEWERAGE SYSTEM REVENUE BOND

SERIES 2012

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Bonds</u>	<u>CUSIP Number</u>
___%	October 1, ___		_____

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

THE CITY OF COLUMBIA, MISSOURI, a municipal corporation in the County of Boone, State of Missouri (the “**City**”), acknowledges itself indebted to, and for value received hereby promises to pay to, the Registered Owner shown above, or registered assigns, solely from the sources and in the manner hereinafter described, upon surrender hereof at the principal office of The Bank of New York Mellon Trust Company, N.A., St. Louis, Missouri, the Paying Agent (the “**Paying Agent**”), the Principal Amount specified above on the Maturity Date identified above, unless this Bond is redeemable and has previously been called for redemption and payment of the redemption price made or provided for, together with interest thereon from said sources from the Date of Bonds specified above at the Interest Rate specified above per annum, payable on October 1, 2012, and thereafter semiannually on April 1 and October 1 in each year, until this Bond shall have been fully paid or until provision for the payment of this Bond shall have been made upon redemption or at maturity. Payment of the interest hereon shall be made by check or draft mailed by the Paying Agent on each interest payment date to the person appearing as the registered owner hereof on the registration books of the City held by the Bond Registrar named herein as of the close of business on the fifteenth day of the calendar month next preceding such interest payment date. The Principal Amount and redemption premium, if any, and interest hereon are payable in any coin or currency which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts.

This bond is one of an authorized series of bonds of the City aggregating the principal amount of \$9,980,000*, and designated “**Sewerage System Revenue Bonds, Series 2012**” (herein called the “**Bonds**”), issued for the purpose of providing funds for the purpose of extending, improving, repairing, replacing and equipping the City-owned sewerage system, and is issued pursuant to the Constitution and laws of the State of Missouri, the City's Charter and an Ordinance of the City enacted [SALE DATE], 2012 (the “**Ordinance**”). Pursuant to the Ordinance, this Bond is payable solely from the

Net Revenues (as defined in the Ordinance) of the sewerage system owned exclusively by the City (the “System”). The Bonds are issued on a parity with respect to the pledge of the Net Revenues with the City’s Outstanding Parity Bonds and any Additional Parity Bonds issued from time to time pursuant to the provisions of the Ordinance. Copies of the Ordinance are on file at the offices of the City and reference to the Ordinance and any and all supplements thereto and modifications and amendments thereof is made for a description of the pledge, security interest and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge and security interest, the rights and remedies of the registered owners of the Bonds with respect thereto and the terms and conditions upon which the Bonds are issued and may be issued thereunder.

As provided in the Ordinance, bonds or other obligations of the City may be issued from time to time in one or more series, in various principal amounts, which additional obligations may mature at different times, may bear interest at different rates and may otherwise vary. Such bonds or other obligations may be equally secured by the pledge, security interest and covenants made in the Ordinance, except as otherwise expressly provided or permitted in the Ordinance.

This Bond is a special obligation of the City payable solely from the sources described above and does not constitute a general obligation or an indebtedness of the City within the meaning of any constitutional or statutory limitation or provision, and the City does not pledge its full faith and credit and is not obligated to levy taxes or resort to any other moneys of the City, except Net Revenues of the System as provided in the Ordinance, to pay the principal, premium, if any, and interest on the Bonds.

This Bond is transferable, as provided in the Ordinance, only upon the registration books kept by the Bond Registrar upon surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized agent, and thereupon a new Bond or Bonds in the same aggregate principal amounts shall be issued to the transferee in exchange therefor as provided in the Ordinance, and upon payment of the charges therein prescribed. The City, the Paying Agent and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The Bonds are issuable in the form of registered bonds in the denominations of \$5,000 or any integral multiple of \$5,000. In the manner, subject to the conditions and upon the payment of the charges described in the Ordinance, the owner of any Bond or Bonds may surrender the same (together with a written instrument of transfer satisfactory to the Bond Registrar), in exchange for an equal aggregate principal amount of Bonds of any other authorized denominations.

At the option of the City, the Bonds or portions thereof maturing on October 1, 20__ and thereafter may be called for redemption and payment prior to their stated maturity on October 1, 20__ and thereafter at the direction of the City prior to maturity, upon notice as hereinafter provided, as a whole at any time or in part on any interest payment date in any order of maturity selected by the City and by lot in multiples of \$5,000 within a maturity, at the redemption price equal to the principal amount thereof, plus accrued interest thereon to the date of redemption.

If less than all of the Bonds of like maturity are to be redeemed, the particular Bonds to be redeemed shall be selected at random by the Paying Agent as provided in the Ordinance.

Notice of redemption shall be given to the registered owner hereof in the manner and upon the terms and conditions set forth in the Ordinance. If notice of redemption shall have been given as

aforesaid, the Bonds or portions thereof specified in said notice shall become due and payable on the redemption date therein fixed, and if, on the redemption date, moneys for the redemption of all the Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then, from and after the redemption date interest on such Bonds or portions thereof so called for redemption shall cease to accrue and be payable.

THIS BOND shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance (as hereinafter defined) until the Certificate of Authentication hereof shall have been dated and executed by the Bond Registrar named herein.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all conditions, acts and things required by law and the Ordinance to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed and that the Bonds, together with all other indebtedness of the City are within every debt and other limit prescribed by the laws of the State of Missouri.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN TESTIMONY WHEREOF, the City, acting by and through its City Council, has caused this Bond to be executed by the manual or facsimile signature of the Mayor of the City, under the corporate seal of the City printed or impressed hereon and attested by the manual or facsimile signature of the City Clerk and countersigned by the manual or facsimile signature of the Director of Finance of the City, this Bond to be dated as of the Date of Bonds as shown above.

CITY OF COLUMBIA, MISSOURI

[SEAL]

By _____
Mayor

ATTEST:

By _____
City Clerk

COUNTERSIGNED:

By _____
Director of Finance

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Ordinance.

Dated: _____

The Bank of New York Mellon Trust
Company, N.A., Bond Registrar

By _____
Authorized Officer

[FORM OF ASSIGNMENT AND TRANSFER]

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____
_____ Attorney to transfer the within
Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

In the presence of:

NOTICE: The signatures to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Appendix C

Summary of Continuing Disclosure Agreement

SUMMARY OF CONTINUING DISCLOSURE AGREEMENT

The Disclosure Agreement is being executed and delivered by the City and the Dissemination Agent for the benefit of Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the “**Rule**”). The City has determined that the City is the only “obligated person” with responsibility for continuing disclosure within the meaning of the Rule.

Definitions. In addition to the definitions set forth in the Bond Ordinance the capitalized terms used in the Disclosure Agreement have the following meanings:

“**Annual Report**” shall mean any Annual Report provided by the City pursuant to, and as described in the Disclosure Agreement.

“**Beneficial Owner**” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“**Disclosure Representative**” shall mean the Accounting Officer of the City or his or her designee, or such other person as the City shall designate in writing from time to time.

“**Dissemination Agent**” shall mean UMB Bank, N.A., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures operated by the MSRB, which can be accessed at www.emma.msrb.org.

“**Listed Events**” shall mean any of the events listed in the Disclosure Agreement.

“**MSRB**” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“**Participating Underwriters**” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“**Underwriter**” shall mean [UNDERWRITER].

“**Rule**” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“**State**” shall mean the State of Missouri.

Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, as soon as such are available, provide to the MSRB, via EMMA, its audited financial statements for the City's fiscal year ending September 30, 2011. In addition, the City shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of the City's fiscal year (which currently ends on September 30 of each year), commencing with the report for the fiscal year ending September 30, 2012, provide to the MSRB, via EMMA, an Annual Report which is consistent with the requirements of the Disclosure Agreement. The City shall provide a written certificate with the Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in the Disclosure Agreement; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the City shall provide the Annual Report and written certificate described in subsection (a) to the Dissemination Agent with instructions to file the Annual Report as specified in subsection (a) or a written certification that the City has provided the Annual Report to the MSRB. If by such date the Dissemination Agent has not received a copy of the Annual Report, certificate and instructions or the certification from the City that it has provided an Annual Report to the MSRB by the date required in subsection (a), the Dissemination Agent shall contact the City and request that the City comply with the first sentence of subsection (b).

(c) If the Dissemination Agent has not received an Annual Report, certificate and instructions or the written certification from the City that it has provided an Annual Report to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice to the Participating Underwriters and to the MSRB, via EMMA, in substantially the form provided in the Disclosure Agreement.

(d) The Dissemination Agent shall:

(i) notify the City each year not later than 90 days prior to the date for providing the Annual Report to the MSRB, of the date on which its Annual Report must be provided to the Dissemination Agent or the MSRB; and

(ii) unless the City has certified in writing that the City (or another entity on behalf of the City) has provided the Annual Report to the MSRB, then promptly following receipt of the Annual Report, certificate and instructions required in subsection (b) above, provide the Annual Report to the MSRB as set forth in (a) above and file a report with the City certifying that the Annual Report has been provided pursuant to the Disclosure Agreement, stating the date it was provided.

Content of Annual Reports. The City’s Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the City for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Government Accounting Standards Board. If the City’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to the Disclosure Agreement, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not otherwise included in the City’s audited financial statements, updates as of the end of the prior fiscal year of certain financial information and operating data contained in tables set forth in Appendix A of the final Official Statement in substantially the same format contained in tables set forth in the final Official Statement under the caption “FINANCIAL INFORMATION CONCERNING THE CITY.”

Any or all of the items listed above may be included by specific reference to other documents, including official statements of issues with respect to which the City is an “obligated person” (as defined by the Rule), which have been filed with the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so included by reference.

Reporting of Significant Events.

(a) No later than 10 Business Days after the occurrence of any of the following events, the City shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. modifications to rights of bondholders, if material;
8. bond calls, if material, and tender offers;
9. defeasances;

10. release, substitution or sale of property securing repayment of the Bonds, if material;
11. rating changes;
12. bankruptcy, insolvency, receivership or similar event of the City;
13. the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. appointment of a successor or additional trustee or the change of name of the Trustee, if material.

(b) The Dissemination Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events contact the Disclosure Representative, inform such person of the event, and request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to the Disclosure Agreement. If in response to a request under this subsection (b), the City determines that the event does not constitute a Listed Event, the City shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent whether or not to report the occurrence pursuant to subsection (d). For the purpose of the Disclosure Agreement, “actual knowledge” of the Listed Events shall mean knowledge by an officer of the Dissemination Agent with responsibility for matters related to the Bond Ordinance or the Disclosure Agreement.

(c) Whenever the City obtains knowledge of the occurrence of a Listed Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the City shall as soon as possible notify and instruct the Dissemination Agent in writing to report the occurrence pursuant to subsection (d).

(d) If the Dissemination Agent has been instructed by written notice from the City to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB, via EMMA, with a copy to the City, the Trustee and the Participating Underwriters. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the owners of affected Bonds pursuant to the Bond Ordinance.

Termination of Reporting Obligation. The City’s obligations under the Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to the Disclosure Agreement. The Dissemination Agent may resign at any time by providing 30 days’ written notice to the City.

The Dissemination Agent shall also have no duty or obligation to determine the materiality of the Listed Events and shall not be deemed to be acting in any fiduciary capacity for the City, any Beneficial Owner or any other party. The initial Dissemination Agent shall be UMB Bank N.A., St. Louis, Missouri.

Amendment; Waiver. Notwithstanding any other provision of the Disclosure Agreement, the City and the Dissemination Agent may amend the Disclosure Agreement (and the approval of the Dissemination Agent shall not be unreasonably withheld) and any provision of the Disclosure Agreement may be waived, provided that the City and the Dissemination Agent receive an Opinion of Counsel with federal securities law expertise to the effect that the Disclosure Agreement, as so amended, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to the Disclosure Agreement.

In the event of any amendment or waiver of a provision of the Disclosure Agreement, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under the Disclosure Agreement, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Additional Information. Nothing in the Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in the Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by the Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by the Disclosure Agreement, the City shall have no obligation under the Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of the Disclosure Agreement, the Dissemination Agent or the Trustee may (and, at the request of any Participating Underwriter or the owners of at least 25% aggregate principal amount of Outstanding Bonds, upon receipt of indemnity satisfactory to either of them shall), or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or the Dissemination Agent, as the case may be, to comply with its obligations under the Disclosure Agreement. A default under the Disclosure Agreement shall not be deemed an Event of Default under the Bond Ordinance, and the sole remedy under the Disclosure Agreement in the event of any failure of the City or the Dissemination Agent to comply with the Disclosure Agreement shall be an action to compel performance.

Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in the Disclosure Agreement. To the extent it may lawfully do so without waiver of its sovereign immunity and without making provision by appropriation for the expense of any such obligation, the City agrees to hold Dissemination Agent harmless from the expense of any claim or liability arising from the Agreement, but only to the extent such claim or liability is foreseeably caused by City's fault, and only if Dissemination Agent (1) timely notifies City of such claim or assertion of liability so that City may take action to resist or defend against or mitigate such claim or liability and (2) cooperates with any such City action, and excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The City's obligation under the paragraph is secondary to any insurance coverage of Dissemination Agent. The City does not represent that it has the right to assume any part of the obligation described in the paragraph. The Dissemination Agent shall have no responsibility for the City's failure to report a Listed Event to the Dissemination Agent. The obligations of the City shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. No provision of the Disclosure Certificate shall be interpreted to limit, prohibit or affect any right of the City or the Trustee, any Paying Agent or Bond registrar to provide notice to the owners of the Bonds or any other person pursuant to the terms of the Bond Ordinance.

Beneficiaries. The Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriters, and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

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Appendix D

Form of Opinion of Bond Counsel

_____, 2012

City of Columbia, Missouri
Columbia, Missouri

Re: \$_____Sewerage System Revenue Bonds, Series 2012 (the “**Bonds**”)

Ladies and Gentlemen:

The City of Columbia, Missouri (the “**City**”), has on this date issued its in the aggregate principal amount of \$_____Sewerage System Revenue Bonds, Series 2012 (the “**Bonds**”). The Bonds have been authorized and issued under and pursuant to the Constitution and laws of the State of Missouri and the City’s Charter. The Bonds are further issued pursuant to an ordinance adopted by the City Council of the City on _____, 2012 (the “**Bond Ordinance**”), to provide funds to acquire, construct and equip extensions, improvements, additions and enlargement of the City’s sewerage system (the “**System**”). The Bonds consist of fully registered Bonds without coupons numbered from R 1 consecutively upward, in the denomination of \$5,000 or any multiple integral thereof, dated as of their date of initial issuance and delivery, and becoming due on the dates, in the years, and bearing interest as set forth in the Bond Ordinance.

Capitalized terms not otherwise defined herein shall have the meanings as set forth in the Bond Ordinance.

The principal of the Bonds shall be payable at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. (the “**Paying Agent**” and “**Bond Registrar**”). The interest on the Bonds shall be payable by check or draft mailed by the Paying Agent to the persons in whose names the Bonds are registered at their addresses as they appear on the Bond registration books maintained by the Bond Registrar on the fifteenth day of the calendar month preceding each Interest Payment Date.

In connection with the issuance of the Bonds, we have examined the following (the “**Bond Documents**”):

A. The Constitution and statutes of the State of Missouri, the City’s Charter and such other laws as we deem relevant to this opinion.

B. A certified copy of the proceedings of the City Council of the City, preliminary to and in connection with the issuance of the Bonds, including the Bond Ordinance, authorizing, among other things, the following:

(i) the issuance, sale and delivery of the Bonds;

(ii) the execution and delivery of the Tax Compliance Agreement (the “**Tax Compliance Agreement**”), dated as of the date hereof, of the City.

C. An original certified copy of the Bond Ordinance and an executed counterpart of the Tax Compliance Agreement.

- D. A specimen of the Bonds.
- E. Representations and certifications of the City, _____, as the original purchaser of the Bonds and Stifel Nicolaus & Company, Incorporated, and Columbia Capital Management LLC, the financial advisors to the City.
- F. The opinion of even date herewith of Fred Boeckman, Esq., City Counselor of the City.
- G. Such other matters, laws and documents as we deem necessary for purposes of this opinion.

In rendering the opinions set forth herein we have assumed, without undertaking to verify the same by independent investigation, (a) as to questions of fact, the accuracy and completeness of all representations of the City set forth in the Bond Ordinance, and the Tax Compliance Agreement and all representations and certifications of officers, officials and representatives of the City and others examined by us, (b) the conformity to original documents of all documents submitted to us as copies and the authenticity of such original documents and all documents submitted to us as originals, (c) that the proceeds of the Bonds will be used in accordance with the Bond Ordinance and the Tax Compliance Agreement and (d) that all covenants and requirements of the Bond Ordinance, and the Tax Compliance Agreement will be duly complied with and fulfilled.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement dated _____, 2012, with respect to the Bonds (the “**Official Statement**”) or other offering material relating to the Bonds (except to the extent stated herein), and we express no opinion relating thereto (except to the extent stated herein).

Based upon the foregoing and subject to the exceptions and clarifications set forth herein, we are of the opinion, as of the date hereof and under existing law, that:

1. The Bonds are in proper form, have been authorized and issued in accordance with the Constitution and statutes of the State of Missouri, and constitute a valid and legally binding special obligation of the City payable solely from, and secured as to the payment of principal and interest (on a parity with the City’s Outstanding Parity Bonds) by a pledge of the Net Revenues derived by the City from the operation of the System of the City. The obligation of the City to make payments into the Debt Service Account, the Debt Service Reserve Account and any other obligations of the City to make payments under the Ordinance do not constitute a general obligation or indebtedness of the City for which the City is obligated to levy or pledge any form of taxation, or for which the City has levied or pledged any form of taxation and shall not be construed to be a debt of the City in contravention of any applicable constitutional, statutory or charter limitation or requirement. The City does not pledge its full faith and credit and is not obligated to levy taxes or resort to any other moneys of the City to pay the principal and interest on the Bonds.

2. The Bond Ordinance and the Tax Compliance Agreement have been duly authorized, executed and delivered by the parties thereto and each such instrument is a legal and binding instrument upon the parties thereto according to its terms and is in full force and effect, assuming due authorization, execution and delivery by the other party thereto, except to the extent that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors’ rights generally or by general principles of equity, whether enforcement is considered in a proceeding at law or

in equity. In rendering the opinion under this paragraph, we have relied on the representations and certifications of the City referred to above and the opinion of counsel for the City referred to above. Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri. The opinions set forth in the preceding sentence are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied in order that the interest on the Bonds be, and continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with such requirements of the Code may cause interest on the Bonds (including any original issue discount properly allocable to an owner thereof) to be included in gross income for federal income tax purposes and not be exempt from income taxation by the State of Missouri, retroactive to the date of issuance of the Bonds.

3. The Bonds are not "specified private activity bonds" within the meaning of the alternative minimum tax provisions of the Code and, accordingly, interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is not a specific item of tax preference for purposes of the federal alternative minimum tax on corporations and other taxpayers, including individuals.

4. The Bonds are not "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code (relating to financial institution deductibility of interest expense).

We express no opinion regarding federal, state or local tax consequences arising with respect to the Bonds (including, without limitation, those from the inclusion of interest and original issue discount, if any, on the Bonds in a corporate taxpayer's adjusted current earnings for purposes of determining its federal alternative minimum tax liability), other than as expressly set forth herein.

This letter is furnished by us solely for your benefit and may not be relied upon by any other person or entity or in connection with any other transaction without our prior consent. The opinions set forth in this letter are given as of the date hereof, and we disclaim any obligation to advise the addressees or to revise or supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur. Other than as expressly set forth herein, we express no opinion herein relative to compliance with federal or state securities laws.

Very truly yours,

Appendix E

Book-Entry-Only System

Book-Entry Only System

General. Ownership interest in the Bonds will be available to purchasers only through a book-entry-only system (the “Book-Entry-Only System”) maintained by The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository for the Bonds. Initially, the Bonds will be issued as one fully-registered Bond for each maturity specified on the inside cover hereof, registered in the Bond Register of the City kept by the paying agent in the name of Cede & Co. (DTC’s partnership nominee). The following discussion will not apply to any Bonds issued in certificate form due to the discontinuance of the DTC Book-Entry-Only System, as described below.

DTC and its Participants. DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides assets servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that its participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, GSCC, MSBCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange, LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard and Poor’s highest rating: AAA. The DTC Rules applicable to its Direct Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchase of Ownership Interests. Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (the “Beneficial Owner”) is in turn to be recorded on the Direct Participants’ and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

Transfers. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices. Conveyance of notices and other communication by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal and Interest. Principal and interest payments on the Bonds and redemption proceeds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds holdings shown on DTC's records. Payments by Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the paying agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct Participant and not of DTC, the paying agent or the City, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal and interest and redemption proceeds to Cede & Co. (or other such nominee as may be requested by an authorized representative of DTC) is the responsibility of the paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

Discontinuation of Book Entry System. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the paying agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

The City may determine to discontinue the system of book-entry transfers through DTC (or a successor securities depository). In such event, the Bonds are to be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City and the Underwriter believe to be reliable, but the City and the Underwriter take no responsibility for the accuracy thereof, and neither the DTC Direct Participants, the Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with Direct Participants or Indirect Participants, as the case may be.

None of the City, the Underwriter or the paying agent will have any responsibility or obligations to any Direct Participants or Indirect Participants or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or any such Direct Participant or Indirect Participant; (ii) the payment by any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal of, premium, if any, or interest on the Bonds; (iii) the delivery by any such Direct Participant or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Indenture to be given to Bondholders; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any consent given or other action taken by DTC as Bondholder.

Registration, Transfer and Exchange of Bonds

Bonds are transferable only upon the books of the Paying Agent upon presentation and surrender of the Bonds, together with instructions for transfer. Bonds may be exchanged for Bonds in the same aggregate principal amount and maturity upon presentation to the Paying Agent, subject to the terms, conditions and limitations set forth in the Ordinance and upon payment of any tax, fee or other governmental charge required to be paid with respect to any such registration, exchange or transfer.

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Appendix F

Audited Financial Statements of the City for Fiscal Year 2011

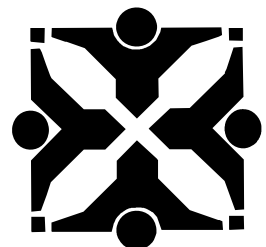
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CITY OF COLUMBIA, MISSOURI

**Comprehensive
Annual Financial Report**

For the Fiscal Year
October 1, 2010 - September 30, 2011

Department of Finance
John Blattel, Director



CITY OF COLUMBIA, MISSOURI

**Comprehensive
Annual Financial Report**

For the Fiscal Year
October 1, 2010 - September 30, 2011

Department of Finance
John Blattel, Director

CITY OF COLUMBIA, MISSOURI

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CITY OF COLUMBIA, MISSOURI

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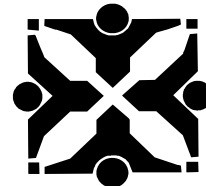
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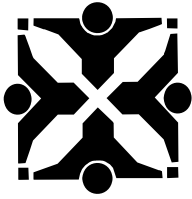
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CITY OF COLUMBIA, MISSOURI

INTRODUCTORY SECTION





CITY OF COLUMBIA, MISSOURI

FINANCE DEPARTMENT
ADMINISTRATION

January 30, 2012

Honorable Mayor, City Council, City Manager, and the Citizens of the City of Columbia:

Introduction

Management Responsibility

The Comprehensive Annual Financial Report (CAFR) of the City of Columbia, Missouri (the City) is submitted for your review in compliance with the provisions of Article II, Section 17 of the City Charter. This CAFR was prepared by the staff of the Finance Department in close cooperation with the external auditor, McGladrey and Pullen LLP. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial activity of its various funds and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. Management's Discussion and Analysis ("MD&A") immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

The Financial Reporting Entity

The Governmental Accounting Standards Board has established the criteria to determine the financial reporting entity for a municipal government's financial report. Therefore, the City used these criteria to examine the relationship of the City to other associated but legally separate entities, to determine if their inclusion in this report would be necessary to fairly present the financial position of the City. These criteria generally have to do with financial benefit or burden, and levels of influence over the activities of these organizations.

The financial reporting entity includes all funds of the City. This financial report does not include the Columbia Regional Library District, the Columbia Housing Authority or the City of Columbia New Century Fund, Inc. For a more detailed explanation of the relationship to these entities, refer to footnote number one in the Notes to the Basic Financial Statements on page 43.

Government Structure

The City of Columbia is a constitutional home rule charter city and was organized in 1892 pursuant to the laws of the State of Missouri. The City is governed by a home rule charter and has a Council-Manager, non-partisan form of government which was adopted in 1949. The Mayor and six council members are elected for three year staggered terms with two council members elected each year. The City is divided into six wards, with one council member representing each ward and the Mayor being elected at large.

Columbia is a full service City which provides not only the traditional basic services such as public safety, public works and planning, but also a wide variety of enterprise activities. Columbia provides a majority of utility services including water, electricity, solid waste, and sanitary sewers. Additionally, Columbia operates three transportation enterprises: the regional airport, public transportation and railroad operations. It is this comprehensive service approach that allows Columbia to be responsive to the community while managing growth in a professional and fiscally responsible manner.

Economic Condition and Outlook

The City of Columbia is located in Boone County in the central portion of the State of Missouri. The City's central location serves as a crossroad for travelers going east and west on Interstate 70 and north and south on U.S. 63. Columbia has excellent transportation resources being serviced by the Columbia Regional Airport, Columbia Terminal Railroad, Columbia Area Transit System and two intrastate bus services. The City encompasses approximately 60 square miles and has a current estimated population of approximately 108,000.

The City is the location of the main campus of the University of Missouri, Columbia College, and Stephens College. Approximately 47,579 students attend these institutions of higher education during the regular school year. In addition to higher education, Columbia is also a regional medical center with eight hospitals. Insurance is a major business operation in the City with home offices of Shelter Insurance Companies, the Columbia Insurance Group, and a regional office of State Farm Insurance Company. Columbia is a regional shopping area for central Missouri with 16 shopping centers. Other area industries consist of printing, structural metal fabrication, structural materials production, electronic products, auto parts and food processing.

All of these activities have given Columbia a fairly stable employment base. Public education (including the University) and government comprise over 34% of all non-farm employment and are four of the top ten employers in the Columbia area. Service industries provide approximately 37% of non-farm employment with the medical industry comprising two of the top ten employers. The retailing industry is also strong providing approximately 17% of the employment in the area. The unemployment rate in Columbia, approximately 6.4% in 2011, has been well below the national average of approximately 10%.

Long-Term Financial Planning

The City of Columbia has a number of forecasting tools for long term financial planning. The 3 to 5 year model utilized for the General Fund is updated throughout the year to not only determine possible adjustments that may be necessary to the current year's budget, but to also determine what effects those changes may have in future years. In addition, the City utilizes cost of service models developed by consultants to assist in the long term planning for our enterprise activities. The City's larger internal service funds have developed three year business plans in an effort to keep charges to city departments competitive.

Due to the economic downturn, staff shared these forecasts with the Council earlier and more often during fiscal year 2011. Work sessions were held with the City Council during this fiscal year to keep Council informed and to allow the Council to provide additional information regarding service levels to our citizens. Council agreed to create a reserve in excess of 16% of expenditures as outlined in the City's policy resolution. The city has established three guiding budgeting principles to assist the city during this fiscal challenge. The first principle is to budget revenues conservatively and anticipate actual revenues of 2-5% over estimated budget. The second principle is to budget expenditures at our maximum foreseen exposure and anticipate actual expenditures at 98% of the budgeted amounts. The third principle is to budget the use of excess reserves to balance the budget. The City has consistently budgeted for the use of these reserves, but we have only reduced reserves for Fiscal Years 2005 & 2009 during the last ten years. These principles allow the City to be more flexible in responding to the forecasted budget deficits in 2012 – 2013.

Major Initiatives

Like many municipalities, 2011 presented a number of challenges for the City of Columbia. The national economic downturn has affected the local economy and resulted in a decline in resources available to provide basic services. The City was able to reduce expenditures during this fiscal year by holding vacancies and postponing equipment purchases. Staff was able to do this with minimal effect on our citizens.

City staff continued to work to implement the Visioning Plan which is centered on the thirteen community vision statements. The final product is a community vision of Columbia through the next fifteen years. The complete vision report including goals, strategies, action plans, appendices and implementation supplement is available at www.gocolumbiamo.com (click on Community Visioning.)

A talent strategy committee has been formed to help insure the workforce, both now and in the future is trained and capable to effectively provide the products and services directed by the City Council and instill a culture of “hire to departure” learning environment within City government. One part of this initiative is the City’s expanded new employee orientation training of 12 hours per employee to include many general subjects that were not previously covered. A second part of this initiative is the establishment of a structured Manager and Supervisor Training Program.

The City began the Journey to Excellence program which is modeled after the Missouri Quality Award program. It is a long term goal of the City to use this structured program to improve the performance of all city operations. The city has adopted a customer-centered culture. By the end of Fiscal Year 2012, all city employees will have participated in training titled "Service with Principles". This training was developed specifically for the city of Columbia to improve customer service throughout city government.

Other Information

Independent Audit

The State of Missouri statutes require an annual audit of all funds of the City. The firm of McGladrey and Pullen LLP has included its opinion in this report.

Certificate of Achievement

We believe this report meets and conforms to the very high standards of the Government Finance Officers Association (GFOA) of the United States and Canada for financial reporting of state and local governments. The City of Columbia, Missouri has received a Certificate of Achievement for Excellence in Financial Reporting for each of the last thirty two years, and we believe our current report continues to conform to the Certificate of Achievement Program requirements.

We will be submitting this report to GFOA to determine its eligibility for another certificate because a Certificate of Achievement is valid for a one-year period only. In order to be awarded a Certificate, the financial report must satisfy accounting principles and must be organized to strict program standards. Such reports must also satisfy applicable legal requirements.

Finally, I would like to say the preparation of the Comprehensive Annual Financial Report could not have been accomplished without the dedicated staff of the Finance Department, especially personnel in the Accounting Division who actually compiled the report. Appreciation is also extended to the Mayor, the City Council, and the City Manager, for their part in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

**John Blattel
Director of Finance**

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Columbia
Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2010

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.



Linda C. Davison

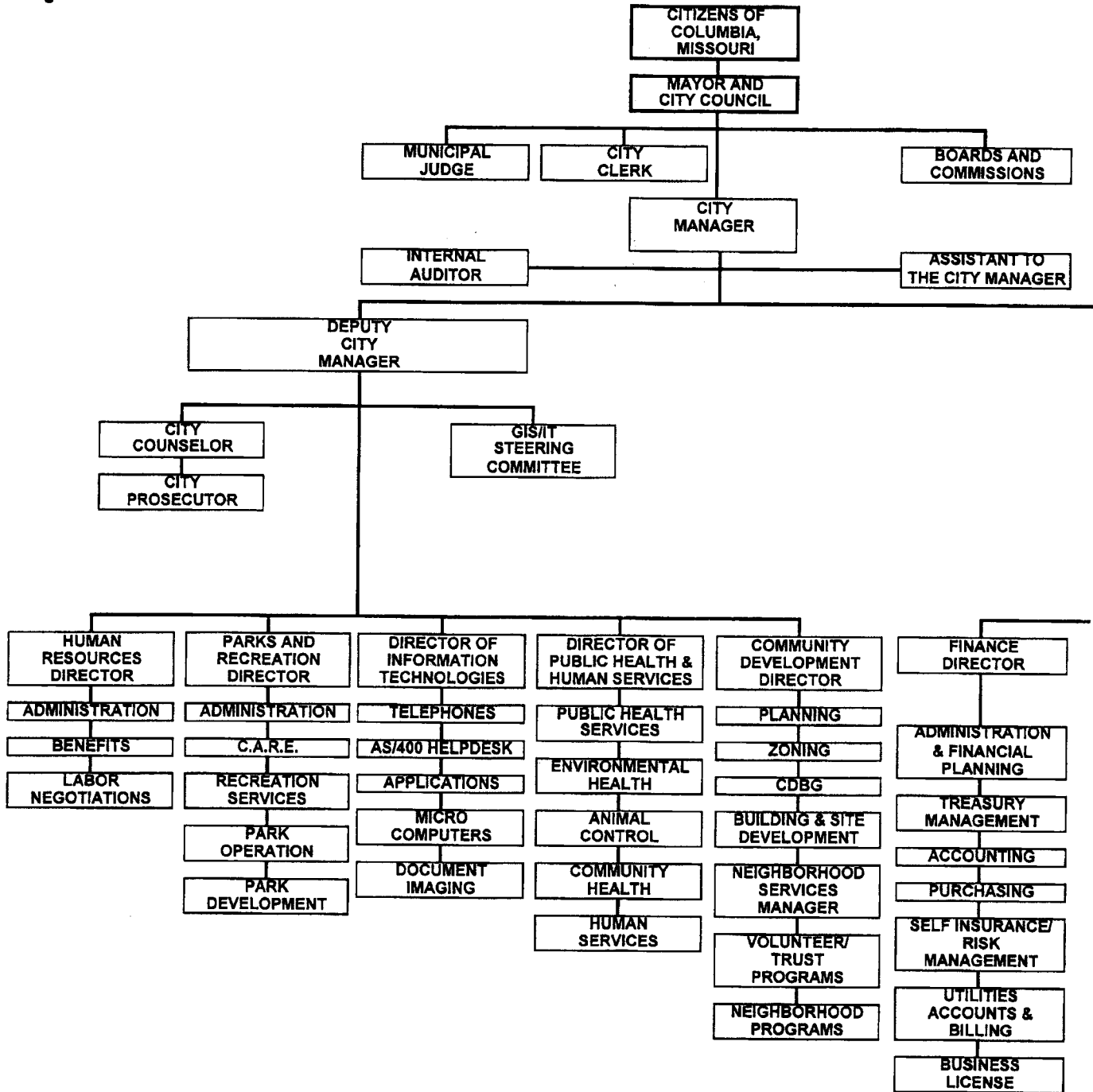
President

Jeffrey R. Emer

Executive Director



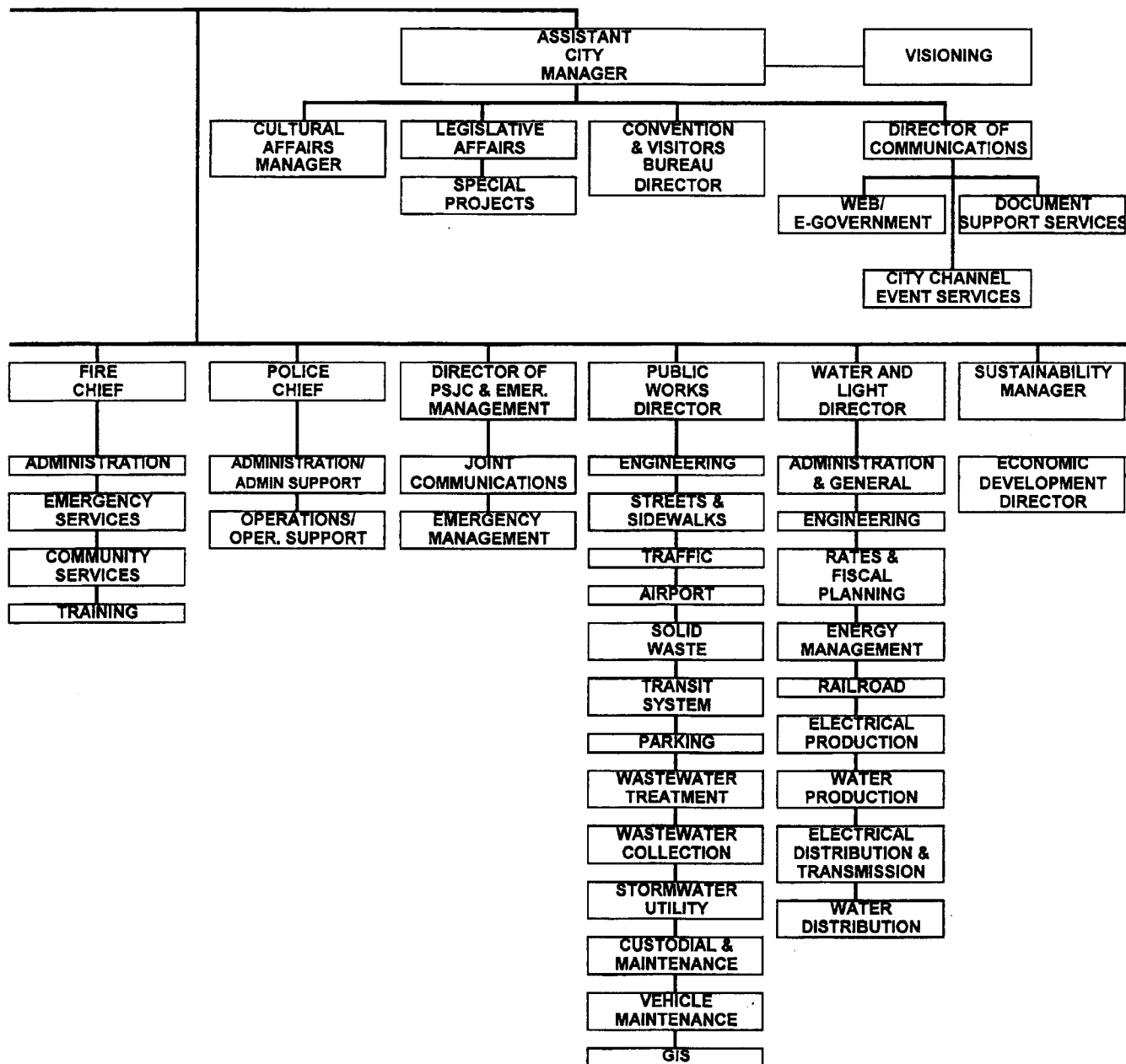
FUNCTIONAL ORGANIZATIONAL CHART



Approved 10-1-11
date

City Manager

CITY OF COLUMBIA, MISSOURI



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CITY OF COLUMBIA, MISSOURI

CITY OF COLUMBIA OFFICIALS

MAYOR

Bob McDavid

CITY COUNCIL

Fred Schmidt
Jason Thornhill
Gary Kespohl

Daryl Dudley
Helen Anthony
Barbara Hoppe

CITY MANAGER

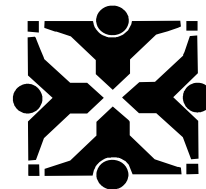
Mike Matthes

DIRECTOR OF FINANCE

John Blattel

INDEPENDENT AUDITORS

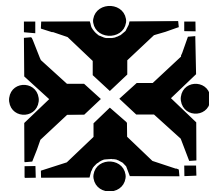
McGladrey and Pullen LLP



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CITY OF COLUMBIA, MISSOURI

FINANCIAL SECTION





Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council of the
City of Columbia, Missouri
Columbia, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Columbia, Missouri, as of and for the year ended September 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, each major fund, and the aggregate remaining fund information of the City of Columbia, Missouri as of September 30, 2011, and the respective changes in financial position and the cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 1.D.19 to the basic financial statements, the City adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which changed its classification of governmental funds' fund balances, and restated the beginning net assets of governmental activities and the beginning fund balance of the nonmajor governmental funds due to the change in presentation of three previously reported nonmajor special revenue funds to an agency fund.

The Management's Discussion and Analysis on pages 9 through 18, the budgetary comparison information on pages 93 through 95, and the schedules of funding progress and schedules of employer contributions on pages 96 and 97 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Columbia, Missouri's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

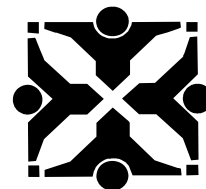
The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Kansas City, Missouri
January 24, 2012

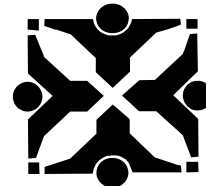
CITY OF COLUMBIA, MISSOURI

INDEPENDENT AUDITORS' REPORT



CITY OF COLUMBIA, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS



City of Columbia, Missouri Management's Discussion and Analysis

As management of the City of Columbia (the "City"), we offer readers of the City's Comprehensive Annual Financial Report (CAFR), this narrative and analysis of the financial activities of the City for the fiscal year ended September 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information provided in this report in our letter of transmittal and basic financial statements.

Financial Highlights

Columbia continues to be a growing city. However the recent economic downturn has slowed growth considerably. The City provides a full range of governmental and proprietary services that include ten enterprise activities.

- Tax revenues of \$61,839,914 increased 4.0% in fiscal year 2011. Sales tax increased in fiscal year 2011 by \$2,241,791 (5.9%).
- Charges for services in business-type activities increased \$14,550,596 or 8.3% as the City continued implementation of the cost of service studies for the Electric, Water, and Sewer utilities.
- The City's total net assets increased \$36,903,489 or 4.6%. Governmental activities net assets increased \$20,079,952 or 5.1% while business-type activities net assets increased \$16,823,537 or 4.2%. Total unrestricted net assets increased \$16,403,720.

The City continued to fully fund its Other Post Employee Benefit (OPEB) liability associated with retiree health insurance subsidies as well as make all required contributions to its pension plans.

The Comprehensive Annual Financial Report

This comprehensive annual financial report consists of six parts:

- Introductory section, which includes the transmittal letter and general information,
- Management's discussion and analysis (this part),
- The basic financial statements, which include the government-wide and the fund financial statements, along with the notes to the basic financial statements,
- Required supplementary information,
- Combining statements for non-major governmental funds, non-major enterprise funds, internal service funds, and fiduciary funds, and
- Statistical section

The basic financial statements present two kinds of information. The government-wide financial statements provide both long-term and short-term information about the City's overall financial status. These statements are prepared on a full accrual basis to present information in a more corporate-like presentation. Fund financial statements are included to provide useful information on individual parts of the government. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. More relevant detail is provided by distinct presentation of major funds in the basic financial statements, rather than summaries by total fund types.

Government-Wide Financial Statements

The basic financial statements include two government-wide financial statements: the *statement of net assets* and the *statement of activities*. The *statement of net assets* presents information on all of the City's assets and liabilities, the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year.

There are two government-wide financial statements. The *governmental activities financial statements* include the functions of the City that are principally supported by taxes and intergovernmental revenues. *The business-type activities financial statements* include functions that are intended to recover all, or a significant portion, of their costs through user fees and charges.

These statements can be found on pages 21 to 23. The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by the private sector.

The *statement of net assets* and *statement of activities* divide the City into the following:

- **Governmental activities** – All of the City’s basic services are considered to be governmental activities, including public safety, public works, health, parks, planning, cultural and economic development and general administration. These activities are supported primarily with general City revenue such as sales taxes, gross receipts taxes, Payment in Lieu of Taxes (PILOT), property taxes, fines and specific program revenue like permit fees and grants.
- **Business-type activities** – All the City’s enterprise activities are included here. These operations derive revenues from charges for services that are intended to recoup the full cost (or a significant portion of the cost) of operations. Three of these operations require subsidies from tax revenue (airport, transit and recreation services).

The government-wide financial statements are required to also include legally separate entities (if any) for which the City is financially accountable. The City does not have any such entity that is required to be included as a “component unit” in its financial statements.

Fund Financial Statements

Another major section of the basic financial statements is the fund financial statements. These statements are on pages 24 to 37. The fund financial statements provide detailed information about each of the City’s most significant funds, called “major funds”. The city has five “major funds”, two governmental-type and three business type. Major governmental-type funds are the General Fund and Capital Projects Fund. The business-type major funds are Water and Electric Utility, the Sanitary Sewer Utility, and the Solid Waste Utility. All “non-major” funds are summarized and presented in a single column.

The City has three kinds of funds:

- **Governmental funds** – Most of the City’s basic services are included in *governmental funds*. These fund statements are prepared on a modified accrual basis. *Governmental funds* are used to account for essentially the same functions 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. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the *governmental fund statements*. Because this information does not encompass the long-term focus of the government-wide financial statements, additional information is provided on pages 25 to 27 to explain the differences between them.
- **Proprietary funds** – These statements include both enterprise funds and internal service funds. Statements are prepared on the full accrual basis and include all their assets and liabilities, current and long-term. This is the same basis used in the government-wide financial statements.
- **Fiduciary funds** - These statements include activity of funds that report trust responsibilities of the City. These funds are summarized by type: pension, other employee benefit, private purpose trust and agency funds. These assets are restricted in purpose and do not represent discretionary assets of the City. Therefore, these assets are not presented as a part of the government-wide financial statements.

Schedule of Net Assets

The following table reflects the condensed schedule of net assets as of September 30, 2011 and 2010:

	City of Columbia's Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 139,136,200	142,474,468	\$ 200,856,727	170,763,791	\$ 339,992,927	313,238,259
Capital assets	352,707,341	327,431,882	551,172,657	472,133,492	903,879,998	799,565,374
Total assets	491,843,541	469,906,350	752,029,384	642,897,283	1,243,872,925	1,112,803,633
Long-term liabilities	60,010,215	52,923,702	304,080,748	213,508,744	364,090,963	266,432,446
Other liabilities	15,431,520	20,660,794	28,872,450	27,135,890	44,303,970	47,796,684
Total liabilities	75,441,735	73,584,496	332,953,198	240,644,634	408,394,933	314,229,130
Net assets						
Invested in capital assets, net of related debt	302,588,445	282,847,173	307,497,810	310,054,260	610,086,255	592,901,433
Restricted	74,752,795	78,994,009	23,964,336	16,408,175	98,717,131	95,402,184
Unrestricted	39,060,566	34,480,672	87,614,040	75,790,214	126,674,606	110,270,886
Total net assets	\$ 416,401,806	396,321,854	\$ 419,076,186	402,252,649	\$ 835,477,992	798,574,503

A review of the government-wide financial statement of net assets reveals the following:

Total assets for the City as a whole are \$1,243,872,925, an increase of \$131,069,292. This increase is primarily due to net additions to capital assets during the year of \$25,275,459 for governmental activities, and \$79,039,165 for business-type activities for capital projects as outlined in the City's Capital Improvement Plan.

Overall the City experienced an increase in total liabilities of \$94,165,803, from \$314,229,130 to \$408,394,933 primarily due to the issuance of Water and Electric System Revenue Bonds for \$84,180,000, Revenue bonds payable for Sewer increased \$24,792,789 in FY2011 for the 2010 issue which has a maximum available of \$59,335,000.

Total long-term liabilities increased \$97,658,517 from \$266,432,446 to \$364,090,963. Long-term liabilities in governmental activities increased \$7,086,513 due to the assumption of debt related to the purchase and renovation of the property at 2810 LeMone Industrial Boulevard leased to IBM, and long-term liabilities in business-type activities increased \$90,572,004 primarily due to the revenue bonds issued in the Water and Electric Fund.

Governmental net assets invested in capital assets net of related debt increased \$19,741,272, from \$282,847,173 to \$302,588,445 primarily due to the capitalization of the Maguire Road and Scott Boulevard road projects which were not debt funded.

Net assets invested in capital assets net of related debt for business-type activities decreased by \$2,556,450, from \$310,054,260 to \$307,497,810. This decrease is due primarily to completion of the railroad bridge over US Highway 63.

Total restricted net assets increased \$3,314,947, and unrestricted net assets increased \$16,403,720, primarily in business-type activities.

Schedule of Activities

The following table reflects the revenues and expenses for the City's activities for the year ended September 30, 2011 and 2010:

City of Columbia's Schedule of Activities

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 16,443,790	15,618,920	\$ 189,631,588	175,080,992	\$ 206,075,378	190,699,912
Grants and contributions	6,891,283	8,754,370	1,844,800	1,723,698	8,736,083	10,478,068
Capital grants and contributions	10,716,352	13,187,432	3,176,929	9,376,080	13,893,281	22,563,512
General revenues:						
Property taxes	7,026,844	7,041,138	-	-	7,026,844	7,041,138
Sales tax	40,538,522	38,296,731	-	-	40,538,522	38,296,731
Other taxes	14,274,548	14,148,024	-	-	14,274,548	14,148,024
Investment revenue	2,717,257	4,406,240	4,344,222	6,680,164	7,061,479	11,086,404
Other	2,873,628	2,998,383	1,976,579	1,780,483	4,850,207	4,778,866
Total revenues	<u>101,482,224</u>	<u>104,451,238</u>	<u>200,974,118</u>	<u>194,641,417</u>	<u>302,456,342</u>	<u>299,092,655</u>
Expenses:						
Policy development and admin.	19,240,568	18,810,092	-	-	19,240,568	18,810,092
Public safety	39,177,408	38,075,595	-	-	39,177,408	38,075,595
Transportation	12,782,598	12,129,815	-	-	12,782,598	12,129,815
Health and environment	10,376,671	9,209,905	-	-	10,376,671	9,209,905
Personal development	6,724,219	7,219,879	-	-	6,724,219	7,219,879
Interest on long-term debt	2,375,909	1,985,817	-	-	2,375,909	1,985,817
Electric Utility	-	-	111,974,736	107,836,042	111,974,736	107,836,042
Water Utility	-	-	15,850,805	14,559,336	15,850,805	14,559,336
Sanitary Sewer Utility	-	-	12,738,819	12,507,201	12,738,819	12,507,201
Regional Airport	-	-	2,471,114	2,488,947	2,471,114	2,488,947
Public Transportation	-	-	5,974,604	5,547,130	5,974,604	5,547,130
Solid Waste Utility	-	-	14,282,699	14,131,288	14,282,699	14,131,288
Parking Facilities	-	-	2,358,564	1,748,966	2,358,564	1,748,966
Recreation Services	-	-	6,884,213	6,863,924	6,884,213	6,863,924
Railroad	-	-	1,085,623	878,449	1,085,623	878,449
Storm Water Utility	-	-	1,254,303	1,284,941	1,254,303	1,284,941
Total expenses	<u>90,677,373</u>	<u>87,431,103</u>	<u>174,875,480</u>	<u>167,846,224</u>	<u>265,552,853</u>	<u>255,277,327</u>
Increase in assets before transfers	10,804,851	17,020,135	26,098,638	26,795,193	36,903,489	43,815,328
Transfers	9,275,101	7,349,318	(9,275,101)	(7,349,318)	-	-
Increase in net assets	<u>20,079,952</u>	<u>24,369,453</u>	<u>16,823,537</u>	<u>19,445,875</u>	<u>36,903,489</u>	<u>43,815,328</u>
Net assets beginning as restated	396,321,854	371,952,401	402,252,649	382,806,774	798,574,503	754,759,175
Net assets, ending	<u>\$ 416,401,806</u>	<u>396,321,854</u>	<u>\$ 419,076,186</u>	<u>402,252,649</u>	<u>\$ 835,477,992</u>	<u>798,574,503</u>

The government-wide statement of activities indicates the major sources of program revenues are charges for services, which increased by \$15,375,466 or 8.1%. The majority of this increase was in business-type activities, and primarily in the Water and Electric Utility amounting to \$10,074,682 or 7.3%. A 2% rate increase was implemented in the Electric Utility and a 10% rate increase was implemented in the Water Utility. Sanitary Sewer Utility charges for services increased by \$2,248,296 or 18.3% due to an increase in rates of 15%. Governmental charges for services increased by \$824,870 or 5.3%, due primarily to lease revenue from rental of the IBM building.

Total revenues increased \$3,363,687, or 1.1%, for 2011. The largest decrease was in capital grants and contributions of \$8,670,231. Total increase in charges for services of \$15,375,466 was due to rate increases in the Water and Electric Utility and the Sanitary Sewer Utility and a small growth in customer base. Capital grants and contributions decreased due primarily to a \$3,000,000 grant in FY2010 for Wastewater Treatment Plant improvements and a decrease in grant funding in the Railroad utility of \$3,659,976. Operating grants and contributions for fiscal year 2011 decreased \$1,741,985, or 16.6%, due primarily to decreased ARRA funding for HUD, the Police department, homelessness prevention efforts and street construction. Total governmental activities general revenues experienced an increase of .8%. Sales tax is the most significant revenue of the governmental activities. Amounting to \$40,538,522 in 2011, sales tax revenue represents 60% of the total \$67,430,799 general revenue for the governmental activities. This is an increase of \$2,241,791 in sales tax revenue, which is an increase of 5.9%. In 2010 sales tax revenue increased by \$681,677, or 1.8%. Staff continues to closely monitor the monthly sales tax files provided by the state.

Investment revenue for both governmental activities and business-type activities declined by a total of \$4,024,925, or 36.3%, due primarily to overall market conditions in 2011.

Four of the ten business-type activities show program revenue in excess of expenses. The City budgets for subsidies or transfers to the Public Transportation, Recreation Services and Airport Funds. The City is currently reviewing the need to adjust rates in the Storm Water utility. The City maintains appropriate reserves in all of the business-type activity funds.

Total program expenses for FY 2011 are \$265,552,853, an increase of 4.0%. The majority of these expenses, \$174,875,480, are for business-type activities. Business-type activity expenses increased \$7,029,256, or 4.2%. The most significant increase was in the Water and Electric utility where operating expense increased from \$115,957,434, to \$120,181,553 for an increase of \$4,224,119 or 3.6% due primarily to increased cost for purchase of power.

Net transfers from business-type activities to governmental activities were \$9,275,101. However, the City transferred over \$4.9 million in general funds and transportation sales tax funds to support the operations of various business-type activities. For purposes of the government-wide financial statements, over \$14 million in payment in lieu of tax funds that are paid by the Water and Electric Utilities to the general fund are included as transfers. Detail of individual transfers can be found in the notes to the financial statements.

The City did not have any special or extraordinary items in FY 2011.

Fund Statements

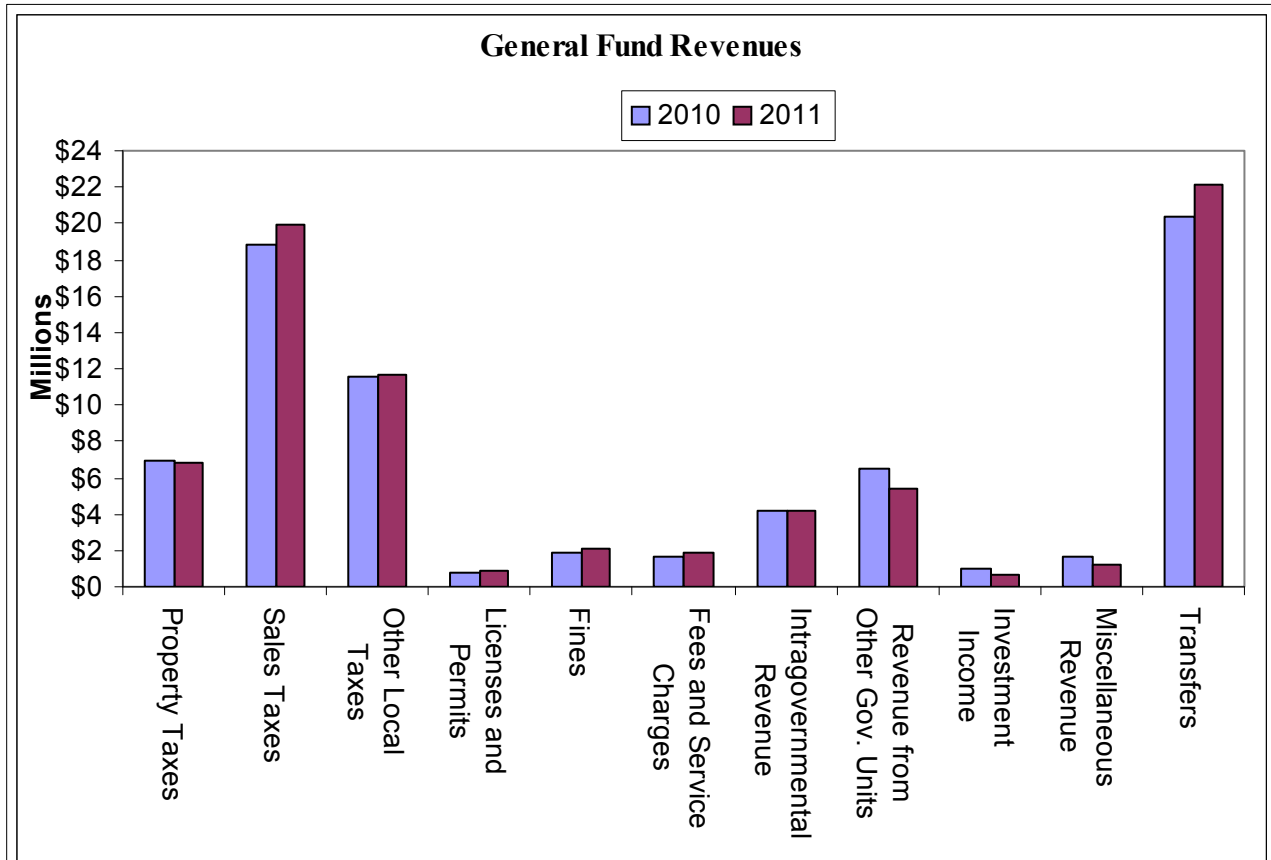
The City's *fund statements* can be found on pages 24 to 37 of the basic financial statements. A reconciliation to the government-wide financial statements has been provided with these fund statements.

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The City's *proprietary funds* provide the same type of information found in the government-wide financial statements, but show more detail.

The *proprietary funds* ended FY 2011 with an increase in net assets. The *governmental funds* ended FY 2011 with an increase in fund balance.

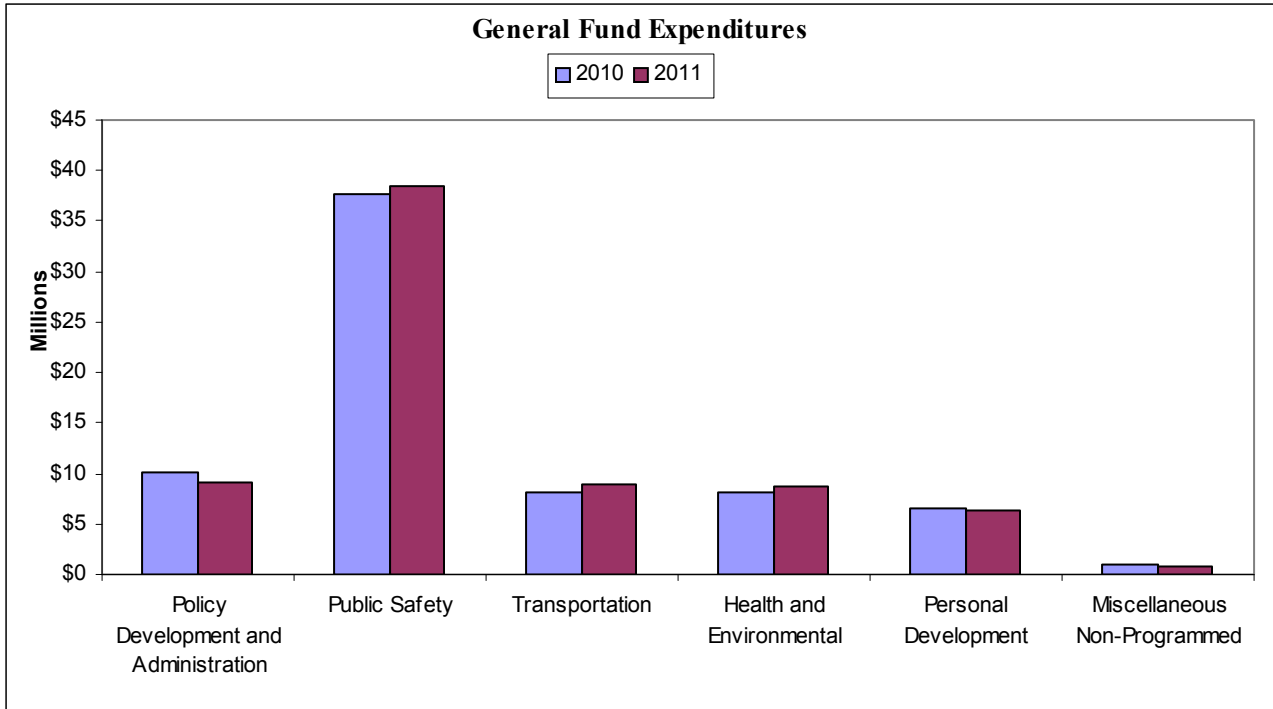
General Fund

The unassigned general fund balance is \$23,660,321. This is 31.3% of expenditures and transfers of \$75,487,905, well above the 16% target set by Council policy. Council decided during the fiscal 2012 budget process to keep reserve levels above the 16% required by Council policy to have funds available for future years. Care is taken to identify capital or other one time uses when the amount of appropriated fund balance increases substantially.



Overall revenues and transfers into the general fund exceeded budget by approximately \$2.4 million. Grant revenues were above budget by \$309,334, while sales tax receipts were \$1,206,980 above budget and miscellaneous revenue were over budget by \$127,869. It should be noted that for budget purposes, Payment in Lieu of Tax from the Water & Electric fund is treated as revenue, while generally accepted accounting principles require that it be recognized as a transfer from other funds. General fund revenues excluding appropriated fund balance and transfers decreased \$381,391 or .7%. The overall property tax rate remained constant at 41 cents. Significant decreases occurred in miscellaneous revenues due to a final payment being received in FY2010 for a cell phone settlement and decreased auction revenues and revenue from other governmental units due to decreased ARRA funding as well as decreased funding for non-motorized grants.

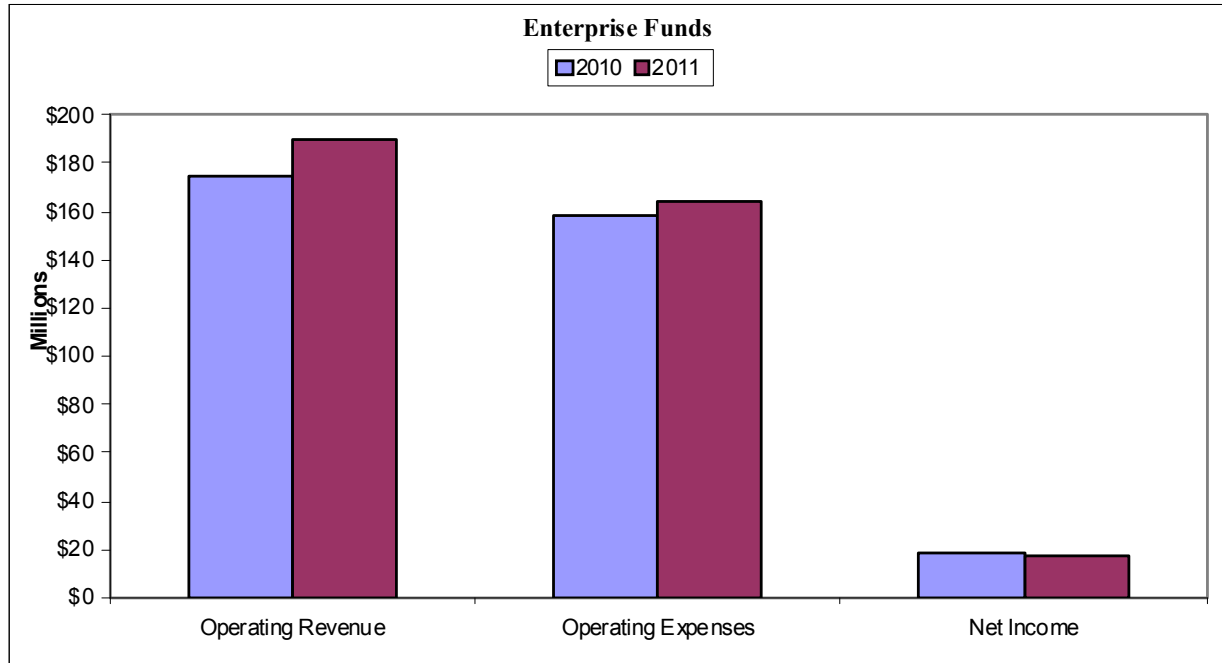
General fund expenditures were \$5.9 million under budget for FY 2011. Of the \$5.9 million, there were \$1.2 million in encumbrances which will be spent in FY12 leaving \$4.7 million under budget. Departments responded to management's request to cut spending in FY11 which resulted in expenditures being significantly under budget. General fund expenditures, including transfers, increased \$1.0 million or 1.4%. The largest dollar increase was in the area of public safety at \$871,636 mostly in police and fire personnel costs. Transportation also increased \$850,324 or 10.4% due primarily to increased costs for snow removal in February 2011.



Overall, total non-major governmental funds restated fund balance decreased by \$1,563,877 primarily due to the Special Road District Tax Fund being moved to the Capital Projects Fund.

Enterprise Funds

A review of the net assets of the proprietary funds indicates that all funds have positive unrestricted net assets. Operating revenues and operating expenses increased for the City's enterprise funds in FY 2011 by 8.3% and 3.6%, respectively. Power costs decreased \$920,693, or 1.3%. The change in net assets of \$16,887,898 was a decrease of \$2,178,534 from the \$19,066,432 increase in 2010. The City's enterprise funds continue to experience limited growth in customer base. Two of the City's internal service funds experienced losses for FY 2011. The losses were budgeted as the accumulated balances were above those required to operate on a break even basis. Rate increases to user departments were budgeted in FY 2011 for some of the internal service funds to ensure net assets remain at appropriate levels.



The City implemented a 2% rate increase in electric rates, a 10% increase in water rates, and a 15% increase in sewer rates in 2011. Total production cost for the electric utility increased \$424,846 primarily due to new contracts for purchased power. Columbia continues to have very competitive utility rates for our region.

Budget Variances

It is the City's policy to allow departments to carry forward the budget allocation for project funds or for items that are encumbered at fiscal year end. The FY 2011 final budget for the general fund includes approximately \$4.3 million of funds carried forward from FY 2010. The remaining increase of \$959,000 in the FY 2011 budget was primarily for grants and contributions appropriated during the year, which also increased the general fund revenue budget for FY 2011, and for \$329,000 for transfers necessary to fund excess personnel services.

Overall, the general fund ended FY 2011 with favorable budget variances for revenues, expenditures and transfers of \$8.3 million. Sales tax ended the year with a 6.5% favorable variance. Other local tax revenues fell short of budget projections by \$59,315. Revenue from other governmental units (Grants) indicate a \$309,334 favorable variance.

General fund expenditures were \$5.9 million under budget for FY 2011.

Capital Assets

City of Columbia Capital Assets (net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 40,955,571	39,761,586	\$ 16,013,376	15,889,626	\$ 56,968,947	55,651,212
Buildings	59,930,511	45,216,741	-	-	59,930,511	45,216,741
Improvements other than buildings	21,626,599	18,132,918	-	-	21,626,599	18,132,918
Structures and improvements	-	-	236,392,337	218,162,398	236,392,337	218,162,398
Furniture, fixtures and equipment	14,690,205	13,187,300	246,026,639	200,275,681	260,716,844	213,462,981
Infrastructure	202,008,989	178,346,801	-	-	202,008,989	178,346,801
Construction in progress	13,495,466	32,786,536	52,740,305	37,805,787	66,235,771	70,592,323
Total	\$ 352,707,341	327,431,882	\$ 551,172,657	472,133,492	\$ 903,879,998	799,565,374

Major Capital Asset Events FY11

- Reconstruction of the Daniel Boone Building portion of the government center was completed in early 2011.
- A 1997 fire pumper truck was replaced at a cost of \$659,735, funded by the ¼ cent capital sales tax approved by voters in 2005.
- The \$16 million Scott Blvd. widening project was completed and placed in service. This project was funded by a federal grant along with state and city funding.
- Mexico Gravel Road from Vandiver to PP was opened early in FY 2011. Funding sources included the Special Road District Tax and ¼ cent capital sales tax.
- The Maguire Blvd extension north to Stadium Blvd. was completed and opened in early FY 2011. Funding sources included developer contributions and ¼ cent capital sales tax.
- Improvements to the intersection at Providence and Green Meadows funded by the federal Non-motorized grant were completed. Several other non-motorized improvement projects are ongoing.
- The Hinkson Trail from Grindstone to Stephens Lake was completed. Funding for this project included a federal STP (Surface Transportation Program) grant.
- Two trails funded by the federal Non-motorized grant were completed and placed in service during FY 2011 – County House Trail Phase I, and Hinkson Trail to Rockbridge. Other non-motorized trail projects are under construction.
- The Columbia Energy Center located at the city landfill was purchased from Ameren Energy Generating Company. The city previously owned 25% of the shares of the Energy Center but purchased the balance in FY 2011 at a cost of \$45.2 million, financed with a voter approved bond issue.
- Construction continues on the \$60 million waste water treatment plant expansion. In 2008 voters authorized \$77 million in bonds for constructing improvements to the waste water treatment facility and sanitary sewer collection system. Funding for the plant expansion includes a \$3 million ARRA grant. As of September 30, 2011 this project was about fifty percent complete.
- Construction on the Clear Creek Pump Station Upgrade, Phase I was completed during FY11 with funding from voter approved bond issues.
- The parking garage at 5th and Walnut funded by a \$13 million Build America Bond issue was completed and opened for business in 2011.
- Three new transit buses and two new paratransit vans were purchased during 2011 with Federal Transportation Administration grant funds.
- Cell 5 of the \$3.9 million expansion of the city landfill neared completion at year end.
- The City received title to the property at 2810 LeMone Industrial Boulevard (the IBM building) from Columbia Area Jobs Foundation in December 2010. The city assumed CAJF's loans for the building purchase and renovation along with the lease to IBM.

Additional information on the City's capital assets can be found in Note VI on pages 59-61 of the footnotes of this report.

Debt Administration

The City's debt issues are discussed in Note IX on pages 66-77 of this report. Please refer to it for additional information. The City had one bond debt issuance in FY 2011: \$84,180,000 in Water and Electric revenue bonds the proceeds of which were used to refund the 2002A Water and Electric issue, purchase of the Columbia Energy Center and for Water System improvements. Additionally, the City assumed two notes totaling \$11.78 million in the purchase of property at 2810 LeMone Industrial Boulevard. The City issued \$59,335,000 in Sewerage System Revenue Bonds for improvements at the Wastewater Treatment Plant in 2010. The issue has a not to exceed amount of \$59,335,000 and as of September 30, 2011, \$31,007,553 has been drawn down and is recorded as bonds payable in the Sanitary Sewer Utility Fund, an increase of \$24,792,789 over 2010. The debt payments will be funded through revenues generated by the Sanitary Sewer Utility. Debt payments for the Sewer Utility have been programmed in the cost of service study used to set rates.

City of Columbia Net Outstanding Debt

	<u>FY 2011</u>	<u>FY 2010</u>
<u>Governmental Activities</u>		
Special Obligation Bonds/Notes	\$ 51,515,036	\$ 44,943,910
	<u>\$ 51,515,036</u>	<u>\$ 44,943,910</u>
<u>Business-type Activities</u>		
Revenue Bonds	\$ 207,828,519	\$ 115,230,721
Special Obligation Bonds	93,208,599	94,857,956
	<u>\$ 301,037,118</u>	<u>\$ 210,088,677</u>

Fiscal Year 2012 Budget

There are no proposed City tax increases for FY 2012, no increases budgeted for fees charged in the general government activities, and no rate increases for gross receipts. In our business-type activities there were six rate increases budgeted. There were rate increases authorized in the solid waste utility, parking utility rates, recreation services, transit, sewer utility, and water utility. There was no rate increase in the electric utility.

The City is projecting a 2% growth in sales taxes for FY 2012.

A \$0.25/hour across-the-board increase was budgeted for salaries for city employees for FY 2012 at total city-wide cost of about \$1 million. The overall increase in personnel services is 2.8% and includes a net addition of 20.75 permanent positions. Pension contributions increases totaled \$1.1 million.

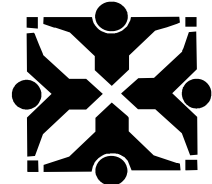
Utilities, Services and & Miscellaneous reflects a \$46.3 million increase, primarily in capital projects for the airport (\$38.4 million) and the Stadium Transportation Development District (\$12 million) in Streets capital projects.

Financial Contact

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. Any questions regarding the report or request for additional information should be directed to the Director of Finance, 701 East Broadway, Columbia, Missouri 65201. Financial reports may also be found on the City's web site at www.GoColumbiaMo.com.

CITY OF COLUMBIA, MISSOURI

BASIC FINANCIAL STATEMENTS



CITY OF COLUMBIA, MISSOURI
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 92,725,598	\$ 69,662,628	\$ 162,388,226
Investments	4,860,182	-	4,860,182
Receivables (net of allowance for uncollectibles)	25,948,848	26,379,826	52,328,674
Internal balances	2,915,371	(2,915,371)	-
Inventories	1,173,814	7,274,151	8,447,965
Prepaid items	108,096	20,791	128,887
Deferred charges	303,860	5,161,268	5,465,128
Other assets	295,023	738	295,761
Restricted assets:			
Cash and cash equivalents	8,969,112	-	8,969,112
Bond covenant account cash	-	81,031,184	81,031,184
Closure and postclosure reserve	-	923,728	923,728
Customer security and escrow cash	-	4,036,280	4,036,280
Grants receivable	1,836,296	9,281,504	11,117,800
Capital assets:			
Non depreciable	54,451,037	68,753,681	123,204,718
Depreciable, net	298,256,304	482,418,976	780,675,280
Total Assets	491,843,541	752,029,384	1,243,872,925
LIABILITIES			
Accounts payable	5,274,287	5,204,436	10,478,723
Accrued payroll and payroll taxes	2,391,697	1,406,747	3,798,444
Accrued interest payable	262,633	4,942,655	5,205,288
Due to other governments	-	365,286	365,286
Unearned revenue	6,647,869	188,373	6,836,242
Construction contracts payable	-	12,248,801	12,248,801
Customer security and escrow deposits	-	4,036,280	4,036,280
Other liabilities	855,034	479,872	1,334,906
Long-term liabilities:			
Due within one year:			
Accrued compensated absences	2,289,489	1,265,105	3,554,594
Revenue bonds payable	-	6,805,000	6,805,000
Special obligation bonds and notes payable	4,590,230	1,655,000	6,245,230
Capital lease obligation	-	21,873	21,873
Claims payable - health insurance	743,696	-	743,696
Claims payable - worker's compensation and general liability	1,597,318	-	1,597,318
Other long-term liabilities	-	270,280	270,280
Due in more than one year:			
Accrued compensated absences	760,073	419,995	1,180,068
Revenue bonds payable	-	201,023,519	201,023,519
Special obligation bonds and notes payable	46,924,806	91,553,599	138,478,405
Capital lease obligation	-	220,290	220,290
Claims payable - worker's compensation and general liability	2,943,429	-	2,943,429
Net pension obligation	161,174	192,639	353,813
Other long-term liabilities	-	653,448	653,448
Total Liabilities	75,441,735	332,953,198	408,394,933
NET ASSETS			
Invested in capital assets, net of related debt	302,588,445	307,497,810	610,086,255
Restricted for:			
Debt service	9,177,970	12,411,147	21,589,117
Capital projects	40,660,673	9,279,147	49,939,820
Permanent Fund:			
Expendable	6,906,079	-	6,906,079
Nonexpendable	1,500,000	-	1,500,000
Statutory restrictions	16,508,073	2,274,042	18,782,115
Unrestricted	39,060,566	87,614,040	126,674,606
Total Net Assets	\$ 416,401,806	\$ 419,076,186	\$ 835,477,992

The notes to the financial statements are an integral part of this statement.

**CITY OF COLUMBIA, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

<u>Functions/Programs</u>	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental activities:			
Policy development and administration	\$ 19,240,568	\$ 11,181,841	\$ 76,327
Public safety	39,177,408	2,446,392	1,862,644
Transportation	12,782,598	191,711	1,997,635
Health and environment	10,376,671	2,623,846	2,760,743
Personal development	6,724,219	-	193,934
Interest on long-term debt	2,375,909	-	-
Total governmental activities	90,677,373	16,443,790	6,891,283
Business-type activities:			
Electric Utility	111,974,736	127,546,900	1,166
Water Utility	15,850,805	20,331,142	-
Sanitary Sewer Utility	12,738,819	14,523,432	-
Regional Airport	2,471,114	684,631	175,350
Public Transportation	5,974,604	1,671,933	1,456,756
Solid Waste Utility	14,282,699	16,635,234	179,684
Parking Facilities	2,358,564	2,038,935	31,844
Recreation Services	6,884,213	4,136,896	-
Railroad	1,085,623	828,593	-
Storm Water Utility	1,254,303	1,233,891	-
Total business-type activities	174,875,480	189,631,588	1,844,800
Total City	\$ 265,552,853	\$ 206,075,378	\$ 8,736,083

General revenues:
Property taxes
Sales tax
Gasoline tax
Cigarette tax
Motor vehicle tax
Utilities tax
Gross receipts tax
Investment revenue
Miscellaneous
Transfers
Total general revenues and transfers
Change in net assets
Net assets - beginning, as restated
Net assets - ending

The notes to the financial statements are an integral part of this statement.

Program Revenues Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets		
	Governmental Activities	Business-type Activities	Total
\$ -	\$ (7,982,400)	\$ -	\$ (7,982,400)
-	(34,868,372)	-	(34,868,372)
6,713,410	(3,879,842)	-	(3,879,842)
1,640,043	(3,352,039)	-	(3,352,039)
2,362,899	(4,167,386)	-	(4,167,386)
-	(2,375,909)	-	(2,375,909)
<u>10,716,352</u>	<u>(56,625,948)</u>	<u>-</u>	<u>(56,625,948)</u>
-	-	15,573,330	15,573,330
174,619	-	4,654,956	4,654,956
377,075	-	2,161,688	2,161,688
1,253,436	-	(357,697)	(357,697)
983,225	-	(1,862,690)	(1,862,690)
371,275	-	2,903,494	2,903,494
-	-	(287,785)	(287,785)
-	-	(2,747,317)	(2,747,317)
17,299	-	(239,731)	(239,731)
-	-	(20,412)	(20,412)
<u>3,176,929</u>	<u>-</u>	<u>19,777,837</u>	<u>19,777,837</u>
<u>\$ 13,893,281</u>	<u>(56,625,948)</u>	<u>19,777,837</u>	<u>(36,848,111)</u>
	7,026,844	-	7,026,844
	40,538,522	-	40,538,522
	2,338,524	-	2,338,524
	627,666	-	627,666
	882,189	-	882,189
	8,473,538	-	8,473,538
	1,952,631	-	1,952,631
	2,717,257	4,344,222	7,061,479
	2,873,628	1,976,579	4,850,207
	9,275,101	(9,275,101)	-
	<u>76,705,900</u>	<u>(2,954,300)</u>	<u>73,751,600</u>
	20,079,952	16,823,537	36,903,489
	396,321,854	402,252,649	798,574,503
	<u>\$ 416,401,806</u>	<u>\$ 419,076,186</u>	<u>\$ 835,477,992</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF COLUMBIA, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011**

	<u>Major Funds</u>		<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Capital Projects</u>		
ASSETS				
Cash and cash equivalents	\$ 25,119,333	\$ 42,474,201	\$ 12,877,342	\$ 80,470,876
Accounts receivable, net	388,893	1,960,598	847	2,350,338
Taxes receivable, net	10,760,232	-	4,162,466	14,922,698
Grants receivable	856,111	-	453,189	1,309,300
Rehabilitation loans receivable, net	-	-	6,464,772	6,464,772
Accrued interest	45,696	75,933	193,285	314,914
Due from other funds	2,040,647	-	-	2,040,647
Prepaid items	39,762	-	2,053	41,815
Inventory	381,488	-	-	381,488
Advances to other funds	-	-	1,787,598	1,787,598
Other assets - current	-	-	295,023	295,023
Restricted assets:				
Cash and cash equivalents	-	-	8,969,112	8,969,112
Grants receivable	-	1,836,296	-	1,836,296
Total assets	<u>\$ 39,632,162</u>	<u>\$ 46,347,028</u>	<u>\$ 35,205,687</u>	<u>\$ 121,184,877</u>
LIABILITIES				
Accounts payable	\$ 1,888,463	\$ 2,655,024	\$ 165,385	\$ 4,708,872
Accrued payroll and payroll taxes	2,065,237	12,716	49,294	2,127,247
Due to other funds	-	-	-	-
Advances from other funds	-	592,334	-	592,334
Deferred revenue	6,998,503	1,030,141	61,226	8,089,870
Other liabilities	761,680	-	14,211	775,891
Total liabilities	<u>11,713,883</u>	<u>4,290,215</u>	<u>290,116</u>	<u>16,294,214</u>
FUND BALANCES				
Nonspendable	421,250	-	1,502,053	1,923,303
Restricted	-	1,709,220	23,777,708	25,486,928
Committed	737,491	1,368,581	9,386,861	11,492,933
Assigned	3,099,217	38,979,012	248,949	42,327,178
Unassigned	23,660,321	-	-	23,660,321
Total fund balances	<u>27,918,279</u>	<u>42,056,813</u>	<u>34,915,571</u>	<u>104,890,663</u>
Total liabilities and fund balances	<u>\$ 39,632,162</u>	<u>\$ 46,347,028</u>	<u>\$ 35,205,687</u>	<u>\$ 121,184,877</u>

The notes to the financial statements are an integral part of this statement.

CITY OF COLUMBIA, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

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

Total fund balance - total governmental funds		\$ 104,890,663
Capital assets used in governmental activities, including applicable internal service funds, are not current financial resources, and therefore, are not reported in the governmental funds.		
Governmental capital assets	\$ 432,163,738	
Less accumulated depreciation	<u>(79,456,397)</u>	352,707,341
Internal service funds are used by management to charge the costs of custodial maintenance, information services, public communications, fleet operations, self insurance, and employee benefits; and, therefore, the assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets, net of capital assets. (see page 50)		
		12,048,439
Long-term liabilities, including special obligation bonds and notes, and accrued compensated absences, are not due and payable in the current period, and therefore, are not reported as liabilities in the governmental funds.		
Accrued compensated absences	\$ (2,765,792)	
Special Obligation Bonds, including unamortized bond premium and deferred loss on refunding	(40,339,747)	
Lemone Trust Note	(11,175,289)	
Net pension obligation	(126,497)	
Accrued interest payable	<u>(262,633)</u>	(54,669,958)
Unamortized issue costs for special obligation debt issues are not financial resources and are not reported in the funds		
		303,860
Some of the City's revenue will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore, are reported as deferred revenue in the funds.		
		1,442,001
Internal service fund allocated to business type activities		
		(320,540)
Net Assets of Governmental Activities		<u><u>\$ 416,401,806</u></u>

CITY OF COLUMBIA, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Major Funds</u>		<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Capital Projects</u>		
REVENUES				
General property taxes	\$ 6,876,040	\$ -	\$ 150,804	\$ 7,026,844
Sales tax	19,891,980	-	20,646,542	40,538,522
Other local taxes	11,661,935	-	1,952,631	13,614,566
Licenses and permits	845,158	-	19,561	864,719
Fines	2,049,392	-	-	2,049,392
Fees and service charges	1,905,917	-	1,010,246	2,916,163
Intragovernmental revenue	4,139,602	-	-	4,139,602
Revenue from other governmental units	5,431,035	7,212,287	3,074,426	15,717,748
Lease revenue	-	-	1,267,667	1,267,667
Investment revenue	661,033	1,200,291	586,546	2,447,870
Miscellaneous	1,234,220	1,386,280	253,128	2,873,628
Total Revenues	<u>54,696,312</u>	<u>9,798,858</u>	<u>28,961,551</u>	<u>93,456,721</u>
EXPENDITURES				
Current:				
Policy development and administration	9,145,790	-	2,122,640	11,268,430
Public safety	37,847,252	-	-	37,847,252
Transportation	7,821,261	-	-	7,821,261
Health and environment	8,597,497	-	1,814,316	10,411,813
Personal development	5,987,656	-	11,293	5,998,949
Misc. nonprogrammed activities	815,943	-	-	815,943
Capital outlay	2,261,349	30,564,194	-	32,825,543
Debt service:				
Redemption of serial bonds	-	-	5,089,434	5,089,434
Interest	-	-	2,427,400	2,427,400
Fiscal agent fees	-	-	661	661
Total Expenditures	<u>72,476,748</u>	<u>30,564,194</u>	<u>11,465,744</u>	<u>114,506,686</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(17,780,436)</u>	<u>(20,765,336)</u>	<u>17,495,807</u>	<u>(21,049,965)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	22,104,954	21,640,945	6,825,062	50,570,961
Transfers out	(3,011,157)	(284,561)	(37,664,469)	(40,960,187)
Issuance of Lemone Trust Note	-	-	11,779,723	11,779,723
Total Other Financing Sources (Uses)	<u>19,093,797</u>	<u>21,356,384</u>	<u>(19,059,684)</u>	<u>21,390,497</u>
Net Change in Fund Balances	1,313,361	591,048	(1,563,877)	340,532
FUND BALANCE - BEGINNING, AS RESTATED	<u>26,604,918</u>	<u>41,465,765</u>	<u>36,479,448</u>	<u>104,550,131</u>
FUND BALANCE - ENDING	<u>\$ 27,918,279</u>	<u>\$ 42,056,813</u>	<u>\$ 34,915,571</u>	<u>\$ 104,890,663</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF COLUMBIA, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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

Net change in fund balances - total governmental funds \$ 340,532

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Additionally, contributions of capital assets to the City are recorded as capital contributions on the Statement of Activities. This is the amount by which capital outlays and capital contributions, meeting the capitalization threshold, exceeded depreciation expense in the current year. Details of the reported amounts are as follows:

Capital outlay	32,825,543	
Capital contribution	1,864,022	
Loss on disposal of capital assets	(943,506)	
Net effect of transfer between funds	15,698	
Change in net capital assets internal services fund	(6,162)	
Depreciation expense	<u>(8,480,136)</u>	
		25,275,459

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (280,107)

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. 5,089,434

Long-term debt proceeds provide current financial resources to governmental funds; however issuing debt increases long-term liabilities in the Statement of Net Assets:

Notes Payable	(11,779,723)	
Amortized deferred loss on refunding	(9,997)	
Amortized issue costs on Notes Payable	(4,109)	
Amortized issue costs on Bonds Payable	(36,716)	
Amortized premium on Bonds Payable	<u>129,160</u>	
		(11,701,385)

In the Statement of Activities compensated absences is accrued whereas in the Governmental Funds an expenditure is reported when due and matured. (14,297)

In the Statement of Activities interest is accrued whereas in the Governmental Funds an expenditure is reported when due. (26,849)

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:

Net pension obligation (126,497)

Change in other post employment benefit asset (126,918)

Change in internal service funds allocated to business-type activities 46,400

Internal service funds are used by the City to charge the costs of custodial maintenance, information services, public communications, fleet operations, self insurance, and employee benefits to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. (see page 50)

1,604,180

Change in net assets of governmental activities \$ 20,079,952

The notes to the financial statement are an integral part of this statement.

CITY OF COLUMBIA, MISSOURI
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2011

	Major Enterprise Funds		
	Water and Electric Utility	Sanitary Sewer Utility	Solid Waste Utility
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 42,029,813	\$ 6,852,125	\$ 6,580,288
Investments	-	-	-
Receivables (net of allowance for uncollectibles)	21,949,086	1,636,750	1,866,202
Grants receivable	1,166	-	52,202
Accrued interest	177,349	26,695	16,886
Loans receivable from other funds	139,404	-	-
Inventories	6,968,737	-	135,515
Prepaid items	11,170	-	-
Other assets	-	-	-
Total current assets	<u>71,276,725</u>	<u>8,515,570</u>	<u>8,651,093</u>
Noncurrent assets:			
Restricted assets:			
Bond covenant account cash	68,679,783	8,856,334	1,282,773
Closure and postclosure reserve	-	-	923,728
Customer security and escrow cash	2,993,631	519,556	523,093
Grants receivable	-	7,690,243	272,946
Total restricted assets	<u>71,673,414</u>	<u>17,066,133</u>	<u>3,002,540</u>
Deferred charges	3,923,682	867,095	77,159
Advances to other funds	800,000	-	-
Loans receivable from other funds	3,133,220	-	-
Capital assets:			
Land	5,566,491	4,147,812	1,446,082
Structures and improvements	36,638,826	185,663,291	16,037,819
Furniture, fixtures and equipment	375,647,790	7,678,521	14,739,312
Construction in progress	9,364,435	39,578,055	2,853,383
Less accumulated depreciation	(158,664,080)	(53,045,891)	(20,032,458)
Total capital assets (net of accumulated depreciation)	<u>268,553,462</u>	<u>184,021,788</u>	<u>15,044,138</u>
Total noncurrent assets	<u>348,083,778</u>	<u>201,955,016</u>	<u>18,123,837</u>
Total Assets	<u>419,360,503</u>	<u>210,470,586</u>	<u>26,774,930</u>
LIABILITIES			
Current liabilities:			
Accounts payable	4,345,383	162,807	361,748
Accrued payroll and payroll taxes	671,502	170,688	206,519
Accrued compensated absences	688,615	148,668	152,633
Accrued sales taxes	365,286	-	-
Due to other funds	2,040,647	-	-
Loan payable to other funds - current maturities	-	-	-
Obligations under capital leases	-	-	-
Unearned revenue	18,000	-	18,000
Other liabilities	377,391	1,223	348,279
Construction contracts payable	924,842	8,610,410	1,118,317
Accrued interest	4,151,000	656,612	45,163
Revenue bonds payable - current maturities	5,360,000	1,445,000	-
Special obligation bonds payable - current maturities	-	470,000	615,000
Customer security and escrow deposits	2,993,631	519,556	523,093
Total current liabilities	<u>21,936,297</u>	<u>12,184,964</u>	<u>3,388,752</u>
Noncurrent liabilities:			
Accrued compensated absences	228,608	49,356	50,672
Loans payable to other funds	-	-	-
Obligations under capital leases	-	-	-
Revenue bonds payable	145,878,623	55,144,896	-
Special obligation bonds payable	61,291,782	8,135,442	5,517,418
Advances from other funds	-	160,000	937,147
Other long-term liabilities	-	-	653,448
Net pension obligation	91,293	27,818	31,786
Total noncurrent liabilities	<u>207,490,306</u>	<u>63,517,512</u>	<u>7,190,471</u>
Total Liabilities	<u>229,426,603</u>	<u>75,702,476</u>	<u>10,579,223</u>
NET ASSETS			
Invested in capital assets, net of related debt	108,995,636	124,687,187	9,739,330
Restricted for:			
Debt service	10,056,204	1,564,943	410,000
Capital projects	-	7,690,243	272,946
Statutory restrictions	1,500,000	774,042	-
Unrestricted	69,382,060	51,695	5,773,431
Total Net Assets	<u>\$ 189,933,900</u>	<u>\$ 134,768,110</u>	<u>\$ 16,195,707</u>

The notes to the financial statements are an integral part of this statement.

	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$	13,500,564	\$ 68,962,790	\$ 12,954,560
	-	-	4,860,182
	432,062	25,884,100	658,927
	57,401	110,769	22,428
	48,334	269,264	21,164
	-	139,404	-
	169,899	7,274,151	792,326
	9,621	20,791	66,281
	738	738	-
	<u>14,218,619</u>	<u>102,662,007</u>	<u>19,375,868</u>
	2,212,294	81,031,184	-
	-	923,728	-
	-	4,036,280	-
	1,318,315	9,281,504	-
	<u>3,530,609</u>	<u>95,272,696</u>	<u>-</u>
	293,332	5,161,268	-
	-	800,000	-
	-	3,133,220	-
	4,852,991	16,013,376	-
	104,808,264	343,148,200	6,851,139
	14,706,864	412,772,487	-
	944,432	52,740,305	-
	<u>(41,759,282)</u>	<u>(273,501,711)</u>	<u>(5,237,792)</u>
	<u>83,553,269</u>	<u>551,172,657</u>	<u>1,613,347</u>
	<u>87,377,210</u>	<u>655,539,841</u>	<u>1,613,347</u>
	<u>101,595,829</u>	<u>758,201,848</u>	<u>20,989,215</u>
	267,111	5,137,049	632,802
	334,164	1,382,873	288,324
	257,451	1,247,367	230,782
	-	365,286	-
	-	2,040,647	-
	139,404	139,404	-
	21,873	21,873	-
	152,373	188,373	-
	23,259	750,152	2,420,157
	1,595,232	12,248,801	-
	89,880	4,942,655	-
	-	6,805,000	-
	570,000	1,655,000	-
	-	4,036,280	-
	<u>3,450,747</u>	<u>40,960,760</u>	<u>3,572,065</u>
	85,468	414,104	76,617
	3,133,220	3,133,220	-
	220,290	220,290	-
	-	201,023,519	-
	16,608,957	91,553,599	-
	898,117	1,995,264	-
	-	653,448	2,943,429
	37,405	188,302	39,014
	<u>20,983,457</u>	<u>299,181,746</u>	<u>3,059,060</u>
	<u>24,434,204</u>	<u>340,142,506</u>	<u>6,631,125</u>
	64,075,657	307,497,810	1,613,347
	380,000	12,411,147	-
	1,315,958	9,279,147	-
	-	2,274,042	-
	<u>11,390,010</u>	<u>86,597,196</u>	<u>12,744,743</u>
\$	<u>77,161,625</u>	418,059,342	\$ 14,358,090
		<u>1,016,844</u>	
\$	<u>419,076,186</u>		Net assets of business-type activities

Some amounts reported for business-type activities in the Statement of Net Assets are different because certain internal service fund assets and liabilities are included with business-type activities.

The notes to the financial statements are an integral part of this statement.

CITY OF COLUMBIA, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Major Enterprise Funds		
	Water and Electric Utility	Sanitary Sewer Utility	Solid Waste Utility
OPERATING REVENUES			
Charges for services	\$ 147,684,732	\$ 14,470,315	\$ 16,582,235
OPERATING EXPENSES			
Personal services	16,287,042	4,047,769	5,189,434
Materials, supplies, and power	76,888,936	630,081	3,664,555
Travel and training	142,566	5,505	7,508
Intragovernmental	4,010,294	1,268,244	1,707,480
Utilities, services, and miscellaneous	10,485,160	1,898,728	1,673,207
Depreciation	12,367,555	3,101,607	1,594,182
Total Operating Expenses	<u>120,181,553</u>	<u>10,951,934</u>	<u>13,836,366</u>
Operating Income (Loss)	<u>27,503,179</u>	<u>3,518,381</u>	<u>2,745,869</u>
NONOPERATING REVENUES (EXPENSES)			
Investment revenue	2,392,204	959,841	256,151
Revenue from other governmental units	1,166	-	179,684
Miscellaneous revenue	1,449,881	141,961	146,209
Interest expense	(7,307,055)	(1,594,062)	(307,298)
Loss on disposal of capital assets	(16,276)	(22,234)	(78,089)
Miscellaneous expense	(142,820)	(121,736)	(9,610)
Total Nonoperating Revenues (Expenses)	<u>(3,622,900)</u>	<u>(636,230)</u>	<u>187,047</u>
Income (Loss) Before Contributions and Transfers	23,880,279	2,882,151	2,932,916
Capital contributions	174,619	377,075	371,275
Transfers in	2,521,152	42	-
Transfers out	<u>(17,124,850)</u>	<u>(241,094)</u>	<u>(11,101)</u>
Total Net Transfers and Capital Contributions	(14,429,079)	136,023	360,174
Change in Net Assets	9,451,200	3,018,174	3,293,090
TOTAL NET ASSETS - BEGINNING	<u>180,482,700</u>	<u>131,749,936</u>	<u>12,902,617</u>
TOTAL NET ASSETS - ENDING	<u>\$ 189,933,900</u>	<u>\$ 134,768,110</u>	<u>\$ 16,195,707</u>

The notes to the financial statements are an integral part of this statement.

<u>Non-Major Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
\$ 10,588,579	\$ 189,325,861	\$ 35,016,572
8,196,904	33,721,149	6,902,894
2,838,623	84,022,195	6,492,956
29,568	185,147	37,040
1,901,754	8,887,772	1,388,524
2,525,988	16,583,083	19,211,468
3,432,186	20,495,530	297,434
<u>18,925,023</u>	<u>163,894,876</u>	<u>34,330,316</u>
<u>(8,336,444)</u>	<u>25,430,985</u>	<u>686,256</u>
716,132	4,324,328	289,281
1,663,950	1,844,800	25,865
238,528	1,976,579	1,025,790
(970,316)	(10,178,731)	-
(71,684)	(188,283)	(5,174)
(55,730)	(329,896)	-
<u>1,520,880</u>	<u>(2,551,203)</u>	<u>1,335,762</u>
(6,815,564)	22,879,782	2,022,018
2,253,960	3,176,929	-
8,347,812	10,869,006	134,096
<u>(2,660,774)</u>	<u>(20,037,819)</u>	<u>(576,057)</u>
7,940,998	(5,991,884)	(441,961)
1,125,434	16,887,898	1,580,057
<u>76,036,191</u>		<u>12,778,033</u>
<u>\$ 77,161,625</u>		<u>\$ 14,358,090</u>

Some amounts reported for business-type activities in the Statement of Activities are different because the portion of the net income of certain internal service funds are reported with the business-type activities which those funds service.

(64,361)

\$ 16,823,537

Change in net assets of business-type activities

**CITY OF COLUMBIA, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Major Enterprise Funds		
	Water and Electric Utility Fund	Sanitary Sewer Utility Fund	Solid Waste Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers (including other funds)	\$ 145,819,616	\$ 14,147,707	\$ 16,306,188
Cash received from other sources	1,449,881	141,961	146,209
Cash payments to suppliers	(93,615,868)	(2,617,727)	(5,905,795)
Cash payments to employees	(16,067,944)	(3,980,524)	(5,157,280)
Cash payments to other funds	(4,010,294)	(1,268,244)	(1,707,480)
Cash received (payments) for other expenses	20,401	-	-
Net cash provided (used) for operating activities	<u>33,595,792</u>	<u>6,423,173</u>	<u>3,681,842</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	2,521,152	42	-
Transfers out	(17,124,850)	(241,094)	(11,101)
Proceeds (payments) of advances from other funds	-	(90,000)	(87,853)
Revenue from other governmental units	-	-	133,371
Net cash provided (used) for noncapital financing activities	<u>(14,603,698)</u>	<u>(331,052)</u>	<u>34,417</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from bonds, loans, and capital leases	85,951,946	19,496,357	-
Debt service - interest payments	(7,282,595)	(1,849,189)	(315,208)
Debt service - principal	(15,855,000)	(1,875,000)	(580,000)
Acquisition and construction of capital assets	(54,204,017)	(20,740,121)	(3,458,027)
Payment of construction contracts	(1,028,633)	(2,926,127)	(83,207)
Fiscal agent fees payments	(2,371,068)	(52,420)	(327)
Capital contributions, cash	-	278,915	98,329
Net cash provided (used) for capital and related financing activities	<u>5,210,633</u>	<u>(7,667,585)</u>	<u>(4,338,440)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	2,388,653	967,183	261,617
Purchase of investments	-	-	-
Sale of investments	-	-	-
Net cash provided (used) for investing activities	<u>2,388,653</u>	<u>967,183</u>	<u>261,617</u>
Net increase (decrease) in cash and cash equivalents	26,591,380	(608,281)	(360,564)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>87,111,847</u>	<u>16,836,296</u>	<u>9,670,446</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 113,703,227</u>	<u>\$ 16,228,015</u>	<u>\$ 9,309,882</u>
Displayed as:			
Cash and cash equivalents	\$ 42,029,813	\$ 6,852,125	\$ 6,580,288
Restricted assets	71,673,414	9,375,890	2,729,594
	<u>\$ 113,703,227</u>	<u>\$ 16,228,015</u>	<u>\$ 9,309,882</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES			
Operating income (loss)	\$ 27,503,179	\$ 3,518,381	\$ 2,745,869
Adjustments to reconcile operating income (loss) to net cash provided (used) for operating activities			
Depreciation	12,367,555	3,101,607	1,594,182
Changes in assets and liabilities:			
(Increase)/decrease in receivable	(1,667,531)	(334,193)	(287,163)
(Increase)/decrease in due from other funds	(800,000)	-	-
(Increase)/decrease in loans receivable from other funds	(2,384,385)	-	-
(Increase)/decrease in inventory	345,483	-	(58,693)
(Increase)/decrease in prepaid items	(8,415)	-	-
(Increase)/decrease in other assets	-	-	-
Increase/(decrease) in accounts payable	(2,857,010)	(68,471)	(126,292)
Increase/(decrease) in accrued payroll and payroll taxes	127,805	39,427	368
Increase/(decrease) in accrued sales tax	20,401	-	-
Increase/(decrease) in due to other funds	502,430	-	-
Increase/(decrease) in loans payable to other funds	-	-	-
Increase/(decrease) in other liabilities	(1,094,894)	(3,357)	(364,424)
Increase (decrease) in claims payable - workers' compensation and general liability and health insurance	-	-	-
Increase (decrease) in net pension obligation	91,293	27,818	31,786
Other non-operating revenue	1,449,881	141,961	146,209
Net cash provided (used) for operating activities	<u>\$ 33,595,792</u>	<u>\$ 6,423,173</u>	<u>\$ 3,681,842</u>
NONCASH INVESTING AND CAPITAL AND RELATED FINANCING ACTIVITIES			
Contributed water and sewer lines	\$ 174,619	\$ 362,328	\$ -
Change in fair value of investments and cash equivalents	(43,588)	(6,535)	(4,081)
Construction contracts payable	924,842	8,610,410	1,118,317
Total noncash capital and related financing activities	<u>\$ 1,055,873</u>	<u>\$ 8,966,203</u>	<u>\$ 1,114,236</u>

The notes to the financial statements are an integral part of this statement.

	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$	10,607,784	\$ 186,881,295	\$ 35,220,443
	238,528	1,976,579	1,025,790
	(5,411,563)	(107,550,953)	(25,911,566)
	(8,131,296)	(33,337,044)	(6,824,668)
	(1,901,754)	(8,887,772)	(1,388,524)
	-	20,401	-
	<u>(4,598,301)</u>	<u>39,102,506</u>	<u>2,121,475</u>
	8,347,812	10,869,006	134,096
	(2,660,774)	(20,037,819)	(576,057)
	675,342	497,489	-
	1,625,717	1,759,088	3,437
	<u>7,988,097</u>	<u>(6,912,236)</u>	<u>(438,524)</u>
	2,773,968	108,222,271	-
	(965,123)	(10,412,115)	-
	(783,160)	(19,093,160)	-
	(8,233,480)	(86,635,645)	(296,446)
	(3,942,902)	(7,980,869)	-
	(38,655)	(2,462,470)	-
	1,266,251	1,643,495	-
	<u>(9,923,101)</u>	<u>(16,718,493)</u>	<u>(296,446)</u>
	737,151	4,354,604	291,293
	-	-	(4,866,937)
	-	-	4,859,671
	<u>737,151</u>	<u>4,354,604</u>	<u>284,027</u>
	(5,796,154)	19,826,381	1,670,532
	21,509,012	135,127,601	11,284,028
\$	<u>15,712,858</u>	<u>154,953,982</u>	<u>12,954,560</u>
\$	13,500,564	\$ 68,962,790	\$ 12,954,560
	2,212,294	85,991,192	-
\$	<u>15,712,858</u>	<u>154,953,982</u>	<u>12,954,560</u>
\$	(8,336,444)	\$ 25,430,985	\$ 686,256
	3,432,186	20,495,530	297,434
	(61,535)	(2,350,422)	(1,606)
	-	(800,000)	-
	-	(2,384,385)	-
	78,231	365,021	(54,443)
	(8,808)	(17,223)	(58,608)
	-	-	-
	(114,715)	(3,166,488)	(164,408)
	28,203	195,803	63,065
	-	20,401	-
	-	502,430	-
	80,740	80,740	-
	27,908	(1,434,767)	(32,791)
	-	-	321,772
	37,405	188,302	39,014
	238,528	1,976,579	1,025,790
\$	<u>(4,598,301)</u>	<u>39,102,506</u>	<u>2,121,475</u>
\$	-	\$ 536,947	\$ -
	(5,868)	(60,072)	(5,262)
	1,595,232	12,248,801	-
\$	<u>1,589,364</u>	<u>12,725,676</u>	<u>(5,262)</u>

The notes to the financial statements are an integral part of this statement.

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CITY OF COLUMBIA, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2011

	Pension and OPEB Trust Funds	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 1,487,906	\$ 346,763	\$ 4,343,883
Taxes receivable net	-	-	3,620,409
Accrued interest	177,585	619	7,980
Due from other funds	-	-	-
Other assets	-	2,500	-
Investments, at fair value:			
Corporate bonds	12,393,513	-	-
Common stock and mutual funds	38,521,601	-	-
U.S. Government and agency securities	11,806,129	-	-
Money market	16,989,208	-	-
OPEB investments-money market funds	1,465,167	-	-
Asset-backed securities	4,151,818	-	-
Capital assets	11,687	-	-
Accumulated depreciation	(11,687)	-	-
	86,992,927	349,882	7,972,272
Total Assets			
LIABILITIES			
Accounts payable	4,705	12,909	-
Accrued payroll and payroll taxes	-	-	-
Due to other funds	-	-	-
Due to other entities	-	-	3,607,980
Other liabilities	1,851,777	83,617	4,364,292
	1,856,482	96,526	7,972,272
Total Liabilities			
NET ASSETS			
Net assets held in trust	85,136,445	253,356	
Total Net Assets			
	\$ 85,136,445	\$ 253,356	

The notes to the financial statements are an integral part of this statement.

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CITY OF COLUMBIA, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION AND OTHER POSTEMPLOYMENT BENEFITS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

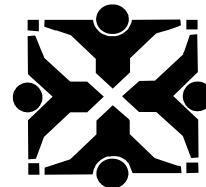
	Pension and OPEB Trust Funds	Private Purpose Trust Funds
ADDITIONS		
Contributions:		
Chamber	\$ -	\$ 140,300
City	7,228,245	30,000
County	-	35,000
University	-	15,000
Employee	1,511,127	-
Net investment revenue:		
Net depreciation in fair value of investments	(4,020,053)	-
Interest and dividends	5,053,605	9,091
Miscellaneous	-	89,254
	9,772,924	318,645
DEDUCTIONS		
Health and environment:		
Services and miscellaneous	-	5,940
Policy development and administration:		
Materials and supplies	-	15,469
Travel and training	1,502	56,103
Intragovernmental	51,739	-
Utilities, services, and miscellaneous	320,426	206,056
Pension benefits	8,178,670	-
Refund of employees' contributions	129,441	-
	8,681,778	283,568
Change in net assets	1,091,146	35,077
NET ASSETS - BEGINNING	84,045,299	218,279
NET ASSETS - ENDING	\$ 85,136,445	\$ 253,356

The notes to the financial statements are an integral part of this statement.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

The Notes to the Basic Financial Statements include a summary of accounting policies that are followed. They also include information used by the City that is judged to be the most appropriate for full disclosure in the preparation of the financial statements.



CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements

September 30, 2011

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CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements

September 30, 2011

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CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies employed in the preparation of the accompanying basic financial statements.

A. Reporting Entity

The City of Columbia (the City) operates under a City Manager/Council, home rule charter form of government. The City's Basic Financial Statements include the accounts of all City operations: Policy Development and Administration, Public Safety, Transportation, Health and Environment, and Personal Development. Enterprise operations owned by the City include a Water and Electric Utility, Sanitary Sewer Utility, Regional Airport, Public Transportation System, Solid Waste Collection Operation, Parking Facilities, Recreation Services, Railroad System and Storm Water System.

The City's relationship to other legally separate organizations has been examined to determine if their inclusion in the City's basic financial statements is necessary to fairly present the financial position and activities of the City. The criteria used in this determination included an examination of the nature and significance of the organization's relationship with the City, financial benefit or burden to the City, the ability of the City Council to appoint members of the entity's governing board, and the level of influence the City has over the activities of the organization. Based on these criteria, the following related organizations have been excluded from the accompanying financial statements:

Columbia Regional Library District (Library District) - The City's Mayor appoints all members to the Library District's board on a staggering-term basis (appointments do not correspond to the mayoral term), and a board member cannot be removed except for specific acts (illegal acts, etc.). The Library District is able to establish and approve its own budget and legally set its own tax rates. Therefore, although the City appoints all members of the Library District's board, the entity is able to act independently without City oversight.

Columbia Housing Authority (Authority) - This entity is similar to the Columbia Regional Library District. The City's Mayor appoints members of the Authority's board with the same restrictions, and cannot remove members without cause. The Authority establishes its own budgets, and is financed with federal funds and rentals. Operations are administered by the Authority without City oversight.

City of Columbia New Century Fund, Inc. (Foundation) - The Foundation is a legally separate, tax-exempt entity that acts primarily as a fund-raising organization to solicit contributions for the betterment of the City. The five member Board is appointed by the City Council to serve a one-year term. No board member is allowed to serve more than five terms on the Board. Although the City does not control the timing or amount of receipts from the Foundation, the majority of resources, or incomes thereon that the Foundation holds and invests are restricted to the activities of the City by the donors. However, the accumulation of restricted resources and the support given during the current year are not significant to the City.

B. Government-Wide and Fund Financial Accounting

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the City. The effect of interfund activities has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements and the private purpose trust fund financial statements. Agency funds adhere to the accrual basis of accounting and do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The financial statements for the pension and other post employment benefits trust funds are prepared using economic resources measurement focus and the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due, as the City has a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, interest and principal on general long-term debt is recognized when due, or when payments are due early in the next fiscal year, and the advance of resources to the debt service fund is mandatory, and debt service expenditures are recognized before year-end to match the resources provided for these payments.

Property tax, sales tax, gasoline tax, motor vehicle tax, interest, and revenues from other governmental units associated with the current fiscal period are all considered to be susceptible to accrual and so they have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *general fund* is the government'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 *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

capital assets. Capital project funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

The government reports the following major proprietary funds:

The *water and electric utility fund* accounts for the billing and collection of charges for water and electric service for most city residents. Revenues are used to pay for both operating expenses and capital expenditures to maintain these services.

The *sanitary sewer utility fund* is used to account for the provision of sanitary sewer services to the residents of the city and a limited number of customers outside the city limits. All activities necessary to provide such services are accounted for in this fund.

The *solid waste utility fund* accounts for the provision of solid waste collection and operation of the landfill and Material Recovery Facility.

Additionally, the government reports the following fund types:

Internal service funds account for custodial and maintenance services, utility customer services, information technologies, public communications, fleet operations, self-insurance reserves, geographic information systems (GIS) and employee benefits for covered employees, provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

The *pension and other post employment benefits trust funds* are used to account for the accumulation of resources for pension benefit payments to qualified police and firefighter personnel and to account for the accumulation of resources for post employment benefits to qualified plan participants.

The *private purpose trust funds* are used to account for resources held by the City in a trustee capacity for the payment of food and medical expenses of indigent persons of the City and as an agent to account for REDI (Regional Economic Development, Inc.) transactions.

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Agency funds account for resources held by the City in a trustee capacity.

The *Permanent fund* is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Debt service funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

The City applies all applicable guidance of the Financial Accounting Standards Board (FASB) in accounting and reporting for proprietary activities issued on or before November 30, 1989, unless the guidance conflicts with applicable Governmental Accounting Standards Board (GASB) guidance as prescribed by GASB Statement No. 20.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements except for interfund services provided and used.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Federal SO₂ allowances that are sold represent allowances not required for use in the normal operation of the Electric Utility; therefore sales of allowances are classified as nonoperating revenue.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Fund Balance

1. Pooled Cash and Marketable Securities

Cash resources of certain individual funds are combined to form a pool of cash and investments. Interest income earned as a result of pooling is distributed to the appropriate funds based on the ending monthly balance of cash and marketable securities of each fund.

When a fund overdraws its share of pooled cash, the overdraft is reported as an interfund payable in that fund, and an interfund receivable in the General Fund. At September 30, 2011 no funds had been reclassified due to a fund overdraft.

Investments are reported at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which establishes fair values for certain types of investments. The fair values are based on quoted market prices.

Collateral is required for demand deposits and certificates of deposit. The fair value of the collateral must equal 100% of the value of the cash and investments in excess of deposit insurance. Obligations that may be pledged as collateral are of the same type as authorized for investment by the City. All legal requirements were met during the year ended September 30, 2011.

Obligations pledged to secure deposits are delivered to the custodial bank. Written custodial agreements are required that provide that the collateral securities be held separate from the assets of the custodial bank.

Repurchase agreements are purchased from brokers and local banks. Securities underlying a repurchase agreement must have a fair value of at least 100% of the cost of the repurchase agreement. No substitution of securities is permitted. Securities underlying overnight repurchase agreements are held as collateral in the Federal Reserve Bank. For bank repurchase agreements, the securities are not held in the City's name but are pledged against the repurchase agreement pool held by the dealer bank. For broker repurchase agreements, the securities are held in the City's name.

2. Unbilled Revenue

The City records as accounts receivable in the Enterprise Fund financial statements the amount of accrued, but unbilled revenue for the Water and Electric Utility, Sanitary Sewer Utility, and Solid Waste Funds and non major Enterprise fund-Storm Water Utility Fund, determined by prorating actual subsequent billings.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

3. Tax Bills Receivable

Special assessment tax bills are sold at book value, without recourse, to the Designated Loan and Special Tax Bill Investment Fund (a non-major governmental fund) when the special assessment project is completed. These tax bills are reported as tax bills receivable in the Designated Loan and Special Tax Bill Investment Fund.

4. Inventories

Inventories are adjusted to annual and periodic physical counts and are valued at cost utilizing the following methods of valuation:

Enterprise Funds - weighted average and first-in, first-out
Internal Service Funds - first-in, first-out

5. Pension Trust Funds' Investments

The Police and Firefighters' Retirement Funds, pension trust funds, are invested in U.S. Treasury, agency and instrumentalities obligations, government national mortgage certificates, and preferred and common stocks and bonds. These investments are reported at fair value, which is based on quoted market prices.

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

In accordance with GASB Statement No. 34, general government infrastructure assets (streets, bridges, sidewalks) have been capitalized retroactively to 1980 at historical cost.

The costs of normal maintenance and repairs that do not enhance functionality or materially extend the life of an asset are not capitalized.

Capital assets, with two exceptions, are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Structures & Improvements	20-50 years
Air Easements	35 years
Mains & Sewers	99 years
Streets, Bridges, Sidewalks	50 years
Furniture and Other Equipment	10-20 years
Vehicles	2-10 years
Computer Equipment	5 years
Software	3 years

Water and Electric assets are depreciated using estimated useful lives established by the Federal Energy Regulatory Commission. Landfill cells are depreciated using the units of consumption method.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

7. Property Tax Revenue Recognition

Property tax revenue is recognized independent of receivable recognition in the fiscal year for which the taxes have been levied (budgeted). Delinquent taxes expected to be received later than 60 days after the close of the fiscal year are classified as deferred revenue within the governmental fund financial statements.

The City's property tax is levied each December 31 on the assessed valuation of property located within the City as of the preceding January 1, the lien date. Taxes are due in full on December 31, and become delinquent on January 1. The delinquent penalty for 2011 was 9% in January, increased by 2% in each succeeding month up through September for a maximum of 25%.

8. Intragovernmental Revenue

Several funds remit to the General Fund a budgeted fixed amount for management and accounting services rendered by the General Fund.

9. Compensated Absences

All vested or accumulated vacation and scheduled holiday leave is accrued when incurred in the government-wide and proprietary financial statements. Certain amounts have been recorded in the governmental fund financial statements as part of accrued payroll and payroll taxes, since such amounts came due (matured) during the fiscal year ended September 30, 2011.

10. Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the City governmental funds which include the General Fund, the Capital Projects Fund and Non Major funds (for example: Special Revenue and Debt Service Funds.) Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution are classified as committed fund balances. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by City management based on Council direction. Non-spendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form (inventory and prepaid items) or (b) legally or contractually required to be maintained intact. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. The general fund will be the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred in governmental funds which may be paid using either restricted or unrestricted resources, the City's policy is to pay the expenditure from the restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

Below are the fund balance classifications for the governmental funds at September 30, 2011:

	General Fund	Capital Projects	Non Major Governmental	Total Governmental
Fund Balances				
Nonspendable:				
Prepaid items	\$ 39,762	\$ -	\$ 2,053	\$ 41,815
Designated Loan Fund	-	-	1,500,000	1,500,000
Inventory	381,488	-	-	381,488
	421,250	-	1,502,053	1,923,303
Restricted:				
HUD Grant	-	-	7,214,710	7,214,710
ARRA grant for sustainability efforts	-	-	90,527	90,527
Debt Service	-	-	7,271,688	7,271,688
Special Business District	-	-	24,560	24,560
Capital Projects	-	1,709,220	2,372,144	4,081,364
Transportation	-	-	2,738,927	2,738,927
Convention & Tourism	-	-	1,862,031	1,862,031
Parks & Recreation	-	-	833,464	833,464
Development charge	-	-	990,216	990,216
Donations for Contribution Fund	-	-	379,441	379,441
	-	1,709,220	23,777,708	25,486,928
Committed:				
Policy Development and Administration	83,617	-	-	83,617
Public Safety	161,467	-	-	161,467
Transportation	9,016	-	-	9,016
Health and Environment	93,217	-	-	93,217
Personal Development	390,174	-	-	390,174
Debt Service	-	-	1,893,083	1,893,083
Designated Loan Fund	-	-	6,906,079	6,906,079
Capital Projects	-	1,368,581	-	1,368,581
Public Improvements	-	-	587,699	587,699
	737,491	1,368,581	9,386,861	11,492,933
Assigned				
Policy Development and Administration	-	-	-	125,732
Public Safety	125,732	-	-	389,553
Transportation	389,553	-	-	111,951
Health and Environment	111,951	-	-	40,072
Personal Development	40,072	-	-	118,518
Appropriated Fund Balance	118,518	-	-	2,313,391
Capital Projects	2,313,391	38,979,012	-	38,979,012
Debt Service	-	-	13,199	13,199
Other-Contributions Fund	-	-	235,750	235,750
	3,099,217	38,979,012	248,949	42,327,178
Unassigned	23,660,321	-	-	23,660,321
Total Fund Balance	\$ 27,918,279	\$ 42,056,813	\$ 34,915,571	\$ 104,890,663

11. Minimum Fund Balance Policy

The City's policy is to maintain a minimum unassigned General Fund balance equal to 16% of expenditures for the adopted budget. These funds will be used to avoid cash flow interruptions, generate interest income, reduce need for short-term borrowing and assist in maintaining what is considered an investment grade bond rating.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

12. Net Assets

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

Invested in Capital Assets, Net of Related Debt – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. Net assets invested in capital assets, net of related debt excludes unspent bond and loan proceeds. As of September 30, 2011, the City had unspent bond proceeds of \$1,396,140 in Governmental Activities, \$52,972,579 in the Water and Electric Utility, \$5,860,737 in the Sanitary Sewer Utility, \$827,610 in the Solid Waste Utility, \$1,742,414 in the Parking Fund and \$31,555 in the Railroad Fund.

Restricted – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. Governmental activities Net Assets Restricted for Statutory Restrictions is \$16,508,073 which is for restricted tax revenues. Business-type activities Net Assets Restricted for Statutory Restrictions is \$2,274,042 which is for debt service.

Unrestricted – This consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

13. Future Accounting Pronouncements

This report does not incorporate GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA*, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*. The City will adopt and implement these statements at the required times.

14. Capitalization of Interest

Net interest costs on funds borrowed to finance the construction of capital assets are capitalized and depreciated over the life of the related asset for business-type activities and proprietary fund types. Interest is not capitalized for governmental activities or governmental fund types within the fund financial statements. In fiscal year 2011, the City capitalized \$301,585 of interest.

15. Capital Contributions

Capital contributions represent government grants and other aid used to fund capital projects. Capital contributions are recognized as revenue when the expenditure is made and amounts become subject to claim for reimbursement.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

16. Amortization of Bond Costs

In the government-wide financial statements and the proprietary fund types in the fund financial statements, bond discounts and premiums are recorded as a reduction or addition to the debt obligation and bond issuance costs are recorded as deferred charges. Bond discounts and premiums and issuance costs are amortized using a method which approximates the effective interest method over the term of the related bonds. The loss on refunding is amortized as a component of interest expense over the remaining life of the bonds using a method which approximates the effective interest method.

17. Adoption of New Accounting Pronouncements

Effective October 1, 2010, the City adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. This financial statement incorporates the new fund balance categories in governmental funds. The city's governmental funds were reviewed and are classified in accordance with Statement No. 54 fund type definitions.

Effective October 1, 2010, the City adopted GASB Statement No. 59, *Financial Instruments Omnibus*. This statement updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools. This statement had no impact on the City's financial statements.

18. Miscellaneous Revenue

Miscellaneous revenue includes sources such as auction revenue, photocopies, Housing Authority PILOT and other immaterial revenues.

19. Change in Fund Balance

As of October 1, 2010, beginning Fund Balances of the Library Debt Fund, Library Operating Fund and the Library Building Fund were restated due to the implementation of Governmental Accounting Standards Board Statement No. 54 (GASB 54). These funds, which were previously reported as special revenue funds, are now reported by the City as an agency fund.

	Nonmajor Governmental Funds	Governmental Activities
Fund balance/net assets at beginning of year as previously reported	\$ 40,428,763	400,271,169
GASB 54 implementation	(3,949,315)	(3,949,315)
Fund balance at beginning of year, as restated	\$ 36,479,448	396,321,854

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

An element of that reconciliation states that “internal service funds are used by management to charge the costs of custodial maintenance, information technologies, public communications, fleet operations, self insurance, and employee benefits.” The assets (excluding capital assets) and liabilities of the internal service funds are therefore included in governmental activities in the following line items in the statement of net assets (excluding certain internal service fund assets and liabilities that are included with business-type activities):

Cash and cash equivalents	\$12,254,722
Accounts receivable	544,513
Grants receivable	22,428
Accrued interest	19,885
Inventory	792,326
Prepaid items	66,281
Investments	4,860,182
Accounts payable	(565,415)
Accrued payroll, payroll taxes and compensated absences	(582,897)
Other liabilities – current	(79,143)
Claims payable – worker’s compensation and general liability	(4,540,747)
Claims payable – health insurance	<u>(743,696)</u>
Net adjustment to increase fund balance-	
total governmental funds to arrive at net	
assets-governmental activities	<u><u>\$12,048,439</u></u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

An element of that reconciliation states that “internal service funds are used by management to charge the costs of custodial maintenance, information technologies, public communications, fleet operations, self insurance, and employee benefits.” The portion of the net revenue (expense) of these internal service funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

Change in Net Assets – all Internal Service Funds	\$1,580,057
Change in Net Assets of Internal Service Funds	
Reported with Business-Type Activities	17,961
Change in Capital Assets – all Internal Service Funds	<u>6,162</u>
Net adjustment to increase net changes in fund	
balances-total governmental funds to arrive at	
changes in net assets of governmental activities	<u><u>\$1,604,180</u></u>

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Statement of Cash Flows

The City defines cash and cash equivalents used in the statement of cash flows as all cash and highly liquid investments with an original maturity of three months or less (both restricted and unrestricted).

B. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

IV. EQUITY IN POOLED CASH AND INVESTMENTS, CASH, INVESTMENTS, AND OBLIGATIONS UNDER REVERSE REPURCHASE AGREEMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of the pool is displayed on the government-wide statement of net assets as "Cash and Cash Equivalents." The investments of the pension and other post-employment benefit trust funds are held separately from those of other City funds.

A. Deposits

At year-end, the bank balances of the City's deposits were covered by federal depository insurance or by collateral held by the City's agent in the City's name. At September 30, 2011, the bank balances in the City's checking accounts were \$6,875,087.

B. Investments

Statutes, the City Charter, Policy Resolutions, and legal opinions authorize the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; states, agencies and political subdivisions thereof; mutual funds containing authorized securities; certificates of deposit of banks and savings and loans in Missouri; and repurchase agreements. U.S. government agency securities consist of investments in FNMA, FHLMC, FFCB, FHLB and Government National Mortgage Association mortgage-backed securities. Mortgage-backed securities do not have a contractual maturity date and the City is subject to the risk of prepayment on these securities when changes in market interest rates occur. The City is also authorized to enter into reverse repurchase agreements.

The assets of the Police and Firefighters' Retirement Funds may be invested, reinvested and managed by an investment fiduciary who shall "act with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims." Authorized investment securities include those listed above as well as common stock, preferred stock, real estate mortgages, corporate debt securities including bonds and prime commercial paper, prime banker's acceptances and taxable municipal debt instruments.

Money market mutual funds held by fiscal agents are classified as cash and cash equivalents on the balance sheet but as investments for custodial risk disclosure.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be adversely affected by a change in interest rates. The City does not have a formal interest rate risk policy.

As of September 30, 2011, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
Guaranteed U.S. Agencies	\$ 21,722,915	\$ -	\$ -	\$ -	\$ 21,722,915
U.S. Agencies	156,826,039	469,877	7,512,247	29,682,202	119,161,713
U.S. Treasuries	9,454,309	-	6,975,078	1,984,437	494,794
Taxable Municipal Bonds	419,985	-	419,985	-	-
Corporate Bonds	12,393,513	156,763	2,307,907	5,266,265	4,662,578
Money Market Accounts*	99,519,630	99,519,630	-	-	-
Mutual Funds*	28,899,566	28,899,566	-	-	-
Common Stock*	9,622,035	9,622,035	-	-	-
Guar. Invest. Contracts*	329,427	329,427	-	-	-
Total	\$ 339,187,419	\$ 138,997,298	\$ 17,215,217	\$ 36,932,904	\$ 146,042,000

* Investment types are not subject to credit risk and have therefore been included in the less than 1 category.

Credit Risk & Concentration of Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor's and Moody's. Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer.

The City does not have a specific credit risk policy and there is no limit on the amount that may be invested in one issuer. The City's investments are to be purchased using the "Prudent Person" standard. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Of the City's total investments, 23.11% are issues of the Federal Home Loan Mortgage Corporation (FreddieMac), 17.74% are issues of the Federal National Mortgage Association (FannieMae) and 6.4% are issues of the Government National Mortgage Association (Ginnie Mae).

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

The following table lists the credit ratings per Fitch, Moody's and/or Standard and Poor's of the City's investments as of September 30, 2011:

Investment Type	Fair Value	Quality Ratings			
		AAA	Aaa	AA+	AA
Guaranteed U.S. Agencies*	\$ 21,722,915	\$	\$	\$	\$
U.S. Treasuries*	9,454,309				
U.S. Agencies	156,826,039	4,393,586	32,434,549	1,998,380	291,125
Taxable Municipal Bonds	419,985				
Corporate Bonds	12,393,513	697,600		2,119,800	1,118,160
Money Market Accounts**	99,519,630				
Mutual Funds**	28,899,566				
Common Stock**	9,622,035				
Guaranteed Invest. Cont.**	329,427				
Total	\$ 339,187,419	\$ 5,091,186	\$ 32,434,549	\$ 4,118,180	\$ 1,409,285

continued below

Investment Type	Quality Ratings			
	AA-	A	BBB+	BBB
Guaranteed U.S. Agencies*	\$	\$	\$	\$
U.S. Treasuries*				
U.S. Agencies	4,582,220	41,063		
Taxable Municipal Bonds				419,985
Corporate Bonds	277,647	6,428,983	751,740	
Money Market Accounts**				
Mutual Funds**				
Common Stock**				
Guaranteed Invest. Cont.**				
Total	\$ 4,859,867	\$ 6,470,046	\$ 751,740	\$ 419,985

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Notes to the Basic Financial Statements September 30, 2011

Investment Type	Quality Ratings			
	B	B-	D	Unrated
Guaranteed U.S. Agencies*	\$	\$	\$	\$
U.S. Treasuries*				
U.S. Agencies			186,676	112,898,440
Taxable Municipal Bonds				
Corporate Bonds	653,563	346,020		
Money Market Accounts**				99,519,630
Mutual Funds**				28,899,566
Common Stock**				9,622,035
Guaranteed Invest. Cont.**				329,427
Total	\$ 653,563	\$ 346,020	\$ 186,676	\$ 251,269,098

* U.S. Treasury securities and certain U.S. Agency securities (Ginnie Mae) are explicitly guaranteed by the U.S. government and therefore do not require a rating.

** Investment types are not subject to credit risk and therefore do not require a rating.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

A reconciliation of cash and cash equivalents as shown on the government-wide statement of net assets is as follows:

	Balance September 30, 2011
Fair value of investments	\$ 332,751,430
Investments with fiscal agents	6,435,989
Cash with fiscal agents	9,986,687
Cash on hand	28,003
Imprest accounts	4,512,591
Total	\$ 353,714,700

	Government- Wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Cash and cash equivalents	\$ 162,388,226	\$ 6,178,552	\$ 168,566,778
Investments	4,860,182	85,327,436	90,187,618
Restricted assets:			
Cash and cash equivalents	8,969,112	—	8,969,112
Bond covenant account cash	81,031,184	—	81,031,184
Closure and postclosure reserve	923,728	—	923,728
Customer security and escrow deposits	4,036,280	—	4,036,280
Total	\$ 262,208,712	\$ 91,505,988	\$ 353,714,700

The City generally intends to buy and hold the securities in its portfolios, and to sell only when a gain is present or when a swap that offers substantial economic gains is available. The City maintains a minimum of 5% of the pooled investment portfolio in cash and cash equivalents to reduce the likelihood of selling a security to meet cash requirements. During the next fiscal year, the City does not intend to sell any securities at a loss in order to meet cash requirements.

The City's investment policies require that securities underlying repurchase agreements must have a fair value of at least 100% of the cost of the repurchase agreement.

C. Reverse Repurchase Agreements

The City is permitted to enter into reverse repurchase agreements; that is, a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contracted rate of interest. The fair value of the securities underlying reverse repurchase agreements normally exceeds the cash received, providing the dealers a margin against a decline in fair value of the securities. If the dealers default on their obligations to resell these securities to the City or provide securities or cash of equal value, the City would suffer an economic loss equal to the difference between the fair value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest. There were no defaults during the year, and there were no reverse repurchase agreements outstanding at year-end.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

V. RECEIVABLES AND PAYABLES

Balances at September 30, 2011 were as follows:

	Accounts Receivable	Accrued Interest	Grants Receivable/ Rehabilitation Loan	Taxes	Total Receivables	Allowance for Doubtful Accounts	Receivables, Net
Governmental activities:							
General	\$ 505,734	\$ 45,696	\$ 856,111	\$ 10,765,347	\$ 12,172,888	\$ (121,956)	\$ 12,050,932
Capital Projects	1,960,598	75,933	1,836,296	-	3,872,827	-	3,872,827
Non-major Governmental Funds	850	193,285	7,557,653	4,162,473	11,914,261	(639,702)	11,274,559
Internal Service Funds	575,063	19,885	22,428	-	617,376	(30,550)	586,826
Total - governmental activities	<u>\$ 3,042,245</u>	<u>\$ 334,799</u>	<u>\$ 10,272,488</u>	<u>\$ 14,927,820</u>	<u>\$ 28,577,352</u>	<u>\$ (792,208)</u>	<u>\$ 27,785,144</u>
Business-type activities:							
Water and Electric Utility	\$ 25,478,315	\$ 177,349	\$ 1,166	\$ -	\$ 25,656,830	\$ (3,529,229)	\$ 22,127,601
Sanitary Sewer Utility	2,074,690	26,695	7,690,243	-	9,791,628	(437,940)	9,353,688
Solid Waste Utility	2,609,284	16,886	325,148	-	2,951,318	(743,082)	2,208,236
Non-major Enterprise Funds	564,840	48,334	1,375,716	-	1,988,890	(132,778)	1,856,112
Internal Service Funds	1,467,187	1,279	-	-	1,468,466	(1,352,773)	115,693
Total - business type activities	<u>\$ 32,194,316</u>	<u>\$ 270,543</u>	<u>\$ 9,392,273</u>	<u>\$ -</u>	<u>\$ 41,857,132</u>	<u>\$ (6,195,802)</u>	<u>\$ 35,661,330</u>

Accounts payable consist of amounts due to vendors and are expected to be paid within one year.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

VI. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2011 was as follows:

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 39,761,586	\$ 1,193,985	\$ —	\$ 40,955,571
Construction in process	32,786,536	21,334,472	(40,625,542)	13,495,466
Total capital assets, not being depreciated	72,548,122	22,528,457	(40,625,542)	54,451,037
Capital assets, being depreciated:				
Buildings	56,390,256	16,837,686	(886,059)	72,341,883
Improvements other than buildings	22,152,486	4,118,264	(74,083)	26,196,667
Furniture, fixtures and equipment	35,790,947	4,276,785	(1,437,891)	38,629,841
Infrastructure	212,571,617	28,511,060	(538,367)	240,544,310
Total capital assets being depreciated	326,905,306	53,743,795	(2,936,400)	377,712,701
Less accumulated depreciation for:				
Buildings	(11,173,515)	(1,581,203)	343,346	(12,411,372)
Improvements other than buildings	(4,019,568)	(558,063)	7,563	(4,570,068)
Furniture, fixtures and equipment	(22,603,647)	(2,346,412)	1,010,423	(23,939,636)
Infrastructure	(34,224,816)	(4,310,505)	—	(38,535,321)
Total accumulated depreciation	(72,021,546)	(8,796,183)	1,361,332	(79,456,397)
Total capital assets, being depreciated, net	254,883,760	44,947,612	(1,575,068)	298,256,304
Governmental activities capital assets, net	\$ 327,431,882	\$ 67,476,069	\$ (42,200,610)	\$ 352,707,341

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
Business-type activities:				
Capital assets, not being depreciated:				
Land and land rights	\$ 15,889,626	\$ 123,750	\$ —	\$ 16,013,376
Construction in progress	<u>37,805,787</u>	<u>96,287,293</u>	<u>(81,352,775)</u>	<u>52,740,305</u>
Total capital assets not being depreciated	<u>53,695,413</u>	<u>96,411,043</u>	<u>(81,352,775)</u>	<u>68,753,681</u>
Capital assets, being depreciated:				
Structures and improvements	318,071,511	25,151,665	(74,976)	343,148,200
Furniture, fixtures and equipment	<u>354,568,937</u>	<u>59,540,553</u>	<u>(1,304,503)</u>	<u>412,804,987</u>
Total capital assets being depreciated	<u>672,640,448</u>	<u>84,692,218</u>	<u>(1,379,479)</u>	<u>755,953,187</u>
Less accumulated depreciation for:				
Structures and improvements	(99,909,113)	(6,904,193)	57,443	(106,755,863)
Furniture, fixtures and equipment	<u>(154,293,256)</u>	<u>(13,591,337)</u>	<u>1,106,245</u>	<u>(166,778,348)</u>
Total accumulated depreciation	<u>(254,202,369)</u>	<u>(20,495,530)</u>	<u>1,163,688</u>	<u>(273,534,211)</u>
 Total capital assets being depreciated, net	 <u>418,438,079</u>	 <u>64,196,688</u>	 <u>(215,791)</u>	 <u>482,418,976</u>
 Business-type activities capital assets, net	 <u>\$ 472,133,492</u>	 <u>\$ 160,607,731</u>	 <u>\$ (81,568,566)</u>	 <u>\$ 551,172,657</u>

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

Business-type activities:	
Water and Electric	\$ 12,367,555
Sanitary Sewer	3,101,607
Solid Waste	1,594,182
Non-major enterprise funds	<u>3,432,186</u>
Total depreciation expense - business-type activities	<u>20,495,530</u>

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

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

Governmental activities:

Policy Development	\$ 1,180,225
Public Safety	1,581,175
Transportation	4,899,699
Health and Environment	50,691
Personal Development	768,346
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the asset	<u>297,434</u>
Total depreciation expense - governmental-type activities	8,777,570
Accumulated depreciation for assets transferred from business-type activities	<u>18,613</u>
Total Additions - Accumulated Depreciation	<u><u>\$ 8,796,183</u></u>

VII. COMMITMENTS

A. Construction Commitments

At September 30, 2011, construction contract commitments of the City were:

	Amounts
Major Governmental Fund:	
Capital Projects Fund	\$ <u>4,808,624</u>
Enterprise Funds:	
Major Funds:	
Water and Electric Utility	445,230
Sanitary Sewer Utility	27,019,720
Solid Waste Utility	249,981
Nonmajor Funds	<u>73,919</u>
Total Enterprise Funds	<u>27,788,850</u>
Total	<u><u>\$ 32,597,474</u></u>

Construction contract commitments of the City will be paid from capital improvement sales tax, parks sales tax, federal and state grant revenues, county road tax, development fees, bond proceeds, enterprise revenues, and general revenues of the City.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

B. Obligations to Purchase Electric Power

The Water and Electric Utility has an agreement with the Board of Municipal Utilities, Sikeston, Missouri, to purchase electric power effective through May 31, 2021. The City agreed to purchase 55 Megawatts at 110% of its proportionate share of monthly power costs (including debt service costs related to the revenue bond issue) as defined in the agreement. The City also contracted to purchase an additional 11 Megawatts from Sikeston commencing on June 1, 1992. The 11 Megawatts was purchased at \$4.50 per kilowatt per month until May 31, 2002. On June 1, 2002, the capacity charge for the 11 Megawatts changed to 100% of the fixed costs and the energy charge changed to 110% of the energy costs. In fiscal year 2006, the cost of maintenance and repairs for capital assets at the Sikeston plant resulted in an additional assessment of \$2,926,176. This assessment was paid as follows: \$135,175 in FY06, \$551,939 in FY2007, \$570,375 in FY2008, \$589,425 in FY2009, \$609,113 in FY2010 and \$470,149 in FY2011.

The Water and Electric Utility has an agreement with the Kansas City, Kansas Board of Public Utilities (BPU) to purchase electric power effective through April 5, 2013. The City will purchase 8.51% (20 Megawatts) of the electric power and energy of the BPU 235 Megawatts coal-fired Nearman Creek Power Station No. 1. In fiscal year 2011, the City paid a demand charge of \$10.23 per kilowatt on 20,000 kilowatts per month. The demand charge may be increased in the event of certain capital expenditures at the Nearman Plant. In addition to the demand charge, the City is required to pay a monthly fuel charge, based on the amount of power actually taken in any month, equal to 105% of the Nearman Plant's fuel cost per kilowatt hour. The City must also pay an operation and maintenance charge based upon its reserved capacity and the amount of power actually taken, and must make a payment in lieu of taxes equal to 11.9% of gross billings. The demand charge, a portion of the operating and maintenance charge, and associated payments in lieu of taxes, must be paid regardless of whether the Nearman Plant is operating. The City may terminate the contract if the Nearman Plant becomes permanently inoperable.

The City has a wind generation purchase and transmission service agreement with Associated Electric Coop., Inc. effective through June 2027. The City has been allocated 11.1% of the net energy and green tags produced by the Bluegrass Ridge Wind Farm. The City pays an energy charge of \$55 per MWh during the term of this agreement, and receives transmission service from Associated Electric. The current transmission charge is \$10,844.06 per month.

The City has an agreement with Ameresco Jefferson City LLC to purchase power from a 3.17 megawatt generator from a landfill gas plant located in Jefferson City, Missouri. The City has agreed to purchase the electric output of the plant over a twenty year period starting in March 2009 at a fixed cost of \$52.50 per megawatt hour.

The City has agreed to purchase solar power from Free Power Company, Inc. Free Power has provided solar equipment which is installed at sites owned by the City. The units were not producing electricity at September 30, 2011. Power production is expected to start in December 2011. In 2011, the City will pay \$54 per MWH with the price per MWH increasing by 1.75% in January 2012 and every year thereafter.

The City of Columbia is a member of the Missouri Joint Municipal Electric Utility Commission (MJMEUC). MJMEUC is a state wide agency that is authorized by state law to operate as an electric utility for the benefit of its members. The City has two agreements with MJMEUC for the purchase of power, the Prairie State Energy Campus from Peabody Energy, and the Iatan 2 project from Kansas City Power & Light Company. Both agreements involved units that were under construction. Iatan 2 is now in production. The Prairie State units were not producing power as of September 30, 2011. The agreements establish advisory committees that consist of representatives of the participating unit power purchasers. All decisions of the MJMEUC Board of Directors regarding Prairie State, or Iatan 2 will give consideration to the recommendations of their respective member committee, but final decision on any matter effecting either agreement shall be made by the MJMEUC Board of Directors.

In June 2007, the MJMEUC Board of Directors gave final approval for the participation in the construction, operation, and financing of the Prairie State Energy Campus. MJMEUC's interests will be approximately 195 MW, and the City expects to receive approximately 26%, or about 50 MW from the units. The City's agreement with MJMEUC does not create any ownership rights on the part of the City to the Prairie State units. MJMEUC intends

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

to capitalize its total costs incurred in connection with the development and construction of the Prairie State units and recover those costs through monthly capacity charges that will commence when the first PSEC unit enters commercial operation. Unit one of Prairie State is expected to be placed in service in December 2011 and unit two is expected to be placed in service in August 2012. The City has agreed to make payments to MJMEUC for costs associated with Prairie State that are not capitalized, or rolled into the financing of the project based on the City's purchase percentage. If either, or both units fail to achieve the expected commercial operation date on which MJMEUC's financing is based, and unless a decision is made to undertake continued financing, the City shall pay its pro-rata share of the capacity costs, and administrative costs associated with the unit(s) on an ongoing basis starting with the expected commercial operation date.

In 2009, the MJMEUC board gave final approval for an agreement with Kansas City Power & Light Company for a unit power interest in Iatan 2; a coal fired generating station near Weston, Missouri. MJMEUC will receive 100MW from the new unit. Of MJMEUC's 100 MW ownership, Columbia has agreed to buy 20 MW. The City's agreement with MJMEUC does not create ownership rights on the part of the City to the Iatan 2 Unit. MJMEUC has capitalized its costs in connection with the development and construction of the Iatan 2 unit and intends to recover those costs through a monthly capacity charge now that the Iatan 2 unit has begun commercial operation. Iatan 2 started production in January 2011. The City agreed to make payments to MJMEUC for its purchase percentage of costs associated with Iatan 2 that could not be capitalized.

C. Obligation to Purchase Coal

The City has a purchase contract with Phoenix Coal Sales Company to buy coal for the municipal electric generating plant. The City will require approximately 35,000 tons per year for the contract term beginning June 1, 2011, and ending May 31, 2013. The price per ton for the initial 12 month contract period is \$102.96 per ton. The price per ton for the second 12 month contract period, June 1, 2012 through May 31, 2013 is \$107.07 per ton. This price is adjusted monthly based on the average BTU/LB content for coal delivered during the month. The City will pay Phoenix Coal for the transportation. In the first year of the contract, the City will pay a rail rate of \$2,775 per carload plus a Kansas City Southern Railroad mileage based fuel surcharge. In the second year of the contract, the City will pay \$2,886 per carload, and the Kansas City Southern Railroad fuel surcharge. This agreement may be renewed for up to three additional one year periods if mutually agreed in writing by Phoenix Coal, and the City.

D. Obligation to Purchase Gas

The City has an agreement with Ameren Energy Generating Company to purchase gas, transportation services, and other gas management services for the Columbia Energy center. The City will pay all costs, expenses, fees, penalties or other charges incurred by the seller to procure, transport and/or terminate the gas supply. In addition the City will pay an annual fee for services in the amount of \$84,000 in monthly installments of \$7,000 for the contract year starting on June 1, 2011 and ending on May 31, 2012. The contract may be extended a second term to May 31, 2013 with an annual fee of \$92,400 paid in monthly installments of \$7,700.

E. Pollution Remediation Obligations

The Missouri Department of Natural Resources issued the City a "Letter of Warning" on March 19, 2009. The letter notified the City that the Water Treatment Plant site was in non-compliance with Clean Water Laws and Operating Permit #MO-G640087 and "caused pollution of an unnamed tributary to Perche Creek, waters of the state or placed or caused or permitted to be placed water contaminants in a location where it is reasonably certain to cause pollution of waters of the state." The contaminant is lime softening sludge which was improperly disposed of by stockpiling it on-site.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

Due to the non-compliance with this permit, the City was required to: prepare a site specific sludge management plan for the water treatment plant site; to install storm water Best Management Practices (BMP) to prevent a discharge of contaminated storm water from the site; and, apply for a site specific storm water discharge permit for this site.

The City applied for a beneficial use exemption for the stockpiled sludge at the water treatment plant to allow the stockpiled sludge to remain in place. The request has been approved by the Missouri Department of Natural Resources, with conditions. The City is required to prepare plans and install a clay cap to contain the stockpiled sludge.

It is estimated that the cost of the work will range from \$501,500, and to \$936,000 with the primary variant being the availability of materials near the plant. The estimated cost to the City is \$783,925, calculated as follows:

65% probability that the actual costs will be \$936,000 (65% * \$936,000) =	\$608,400
35% probability that the actual costs will be \$501,500 (35% * \$501,500) =	<u>\$175,525</u>
Total estimated liability	<u>\$783,925</u>

The City does not expect to recover the remediation outlays from insurance, or any other parties. The total estimated liability is recorded in the Water and Electric utility fund as other liabilities.

F. Encumbrances:

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Outstanding encumbrances as of September 30, 2011 are as follows:

Major Funds:	
General Fund	\$ 1,228,804
Capital Projects Fund	<u>6,281,897</u>
Total Major Funds	<u>7,510,701</u>
Total Nonmajor Funds	<u>259,251</u>
Total encumbrances	<u>\$ 7,769,952</u>

VIII. INTERFUND ACTIVITY

Interfund receivable and payable balances and advances at September 30, 2011 are as follows:

	Inter fund receivables and advances	Interfund payables and advances
Major Governmental Funds:		
General Fund	\$ 2,040,647	\$ —
Capital Projects Fund	—	592,334
Nonmajor governmental funds - permanent fund	1,787,598	—
Nonmajor governmental funds - special revenue	—	—
Enterprise Funds:		
Major Funds:		
Water and Electric Utility	4,072,624	2,040,647
Sanitary Sewer Utility	—	160,000
Solid Waste Utility	—	937,147
Nonmajor enterprise	—	4,170,741
Total	<u>\$ 7,900,869</u>	<u>\$ 7,900,869</u>

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

Advances at September 30, 2011 include \$98,117 in the non-major enterprise Recreation Services Fund, \$160,000 in the Sanitary Sewer Utility Fund and \$937,147 in the Solid Waste Utility Fund that are classified as Current Liabilities Payable from Restricted Assets because the funds advanced from the Permanent Fund-Designated Loan Fund were restricted for use on capital projects. The \$937,147 advance to the Solid Waste Utility was for land purchased on Route B. These advances generally are not scheduled to be repaid in the next fiscal year.

Advances of \$592,334 from the Permanent Fund-Designated Loan Fund to the Capital Projects Fund are for special assessment tax bills. These will be repaid when the associated capital projects are completed and the special assessment taxes are levied.

Payment in lieu of taxes of \$2,040,647 is reported as a receivable in the General Fund and a payable in the Water and Electric Utility Fund.

Loans with a balance of \$3,272,624 from the Water and Electric Utility to the Railroad Fund relate to construction work, the purchase of a locomotive and acquisition of the intermodal facility. The current portion of this loan is \$139,404 payable within the next fiscal year. The Electric Utility advanced \$800,000 to the Railroad for expenses related to the construction of the Railroad Bridge.

Interfund transfers consisted of the following amounts:

		Transfer From								
		General Fund	Capital Projects	Nonmajor Governmental	Water and Electric Utility	Sanitary Sewer Utility	Solid Waste Utility	Non-Major Enterprise	Internal Service	Total
Transfer To	Major Governmental Funds:									
	General Fund	\$ -	\$ 284,561	\$ 7,591,702	\$ 14,091,375	\$ 124,539	\$ -	\$ -	\$ 12,777	\$ 22,104,954
	Capital Projects Fund	3,000	-	21,637,945	-	-	-	-	-	21,640,945
	Nonmajor Governmental	1,358,149	-	4,220,030	462,323	116,555	11,101	139,622	517,282	6,825,062
	Major Enterprise Funds:									
	Water and Electric	-	-	-	-	-	-	2,521,152	-	2,521,152
	Sanitary Sewer	-	-	42	-	-	-	-	-	42
	Nonmajor Enterprise	1,561,910	-	4,214,750	2,571,152	-	-	-	-	8,347,812
	Internal Service	88,098	-	-	-	-	-	-	45,998	134,096
	Total	\$ 3,011,157	\$ 284,561	\$ 37,664,469	\$ 17,124,850	\$ 241,094	\$ 11,101	\$ 2,660,774	\$ 576,057	\$ 61,574,063

Transfers are used to (1) move revenues from the fund that budgets or ordinance requires to collect them to the fund that budgets or ordinance requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Included in the transfers schedule is a transfer from the Water and Electric Utilities Fund to the General Fund of \$14,091,375. The transfer represents PILOT payments.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

IX. LONG-TERM LIABILITIES

A. Changes in Long-term Liabilities

Changes in long-term liabilities during the year ended September 30, 2011 were as follows:

	<u>Balance October 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2011</u>	<u>Current Portion</u>
Governmental Activities:					
Special Obligation Notes:					
2007A Series					
Regional Park Acquisition	\$ 995,000	—	(995,000)	—	—
Robert M LeMone Trust Notes	—	11,779,723	(604,434)	11,175,289	950,230
Total Special Obligation Notes	<u>995,000</u>	<u>11,779,723</u>	<u>(1,599,434)</u>	<u>11,175,289</u>	<u>950,230</u>
Special Obligation Bonds:					
2006B S.O. Capital Improvement	16,645,000	—	(2,475,000)	14,170,000	2,580,000
2008B S.O. Improvement	26,545,000	—	(1,015,000)	25,530,000	1,060,000
Premiums (Discounts)	812,225	—	(129,160)	683,065	—
Loss on Refunding	(53,315)	—	9,997	(43,318)	—
Total Special Obligation Bonds	<u>43,948,910</u>	<u>—</u>	<u>(3,609,163)</u>	<u>40,339,747</u>	<u>3,640,000</u>
Accrued Compensated Absences	3,017,121	2,366,889	(2,334,448)	3,049,562	2,289,489
Net pension Obligation	—	3,160,274	(2,999,100)	161,174	—
Claims Payable - Workers' Compensation and General Liability	4,335,270	2,468,169	(2,262,692)	4,540,747	1,597,318
Claims Payable - Health Insurance	<u>627,401</u>	<u>8,602,564</u>	<u>(8,486,269)</u>	<u>743,696</u>	<u>743,696</u>
Total Governmental Activities	<u>\$ 52,923,702</u>	<u>\$ 28,377,619</u>	<u>\$ (21,291,106)</u>	<u>\$ 60,010,215</u>	<u>\$ 9,220,733</u>

Accrued compensated absences and the net pension obligation are generally liquidated by the general fund.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

	<u>Balance October 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2011</u>	<u>Current Portion</u>
Business-type Activities:					
Revenue Bonds:					
<i>Water & Electric Utility:</i>					
1998 Water and Electric	\$ 2,520,000	\$ —	\$ (800,000)	\$ 1,720,000	\$ 840,000
2002 Water and Electric	13,350,000	—	(12,215,000)	1,135,000	555,000
2003 Water and Electric	5,610,000	—	(855,000)	4,755,000	880,000
2004 Water and Electric	15,065,000	—	(555,000)	14,510,000	570,000
2005 Water and Electric	28,235,000	—	(1,430,000)	26,805,000	1,485,000
2009 Water and Electric	16,725,000	—	—	16,725,000	—
2011 Water and Electric	—	84,180,000	—	84,180,000	1,030,000
Premiums (Discounts)	1,173,054	1,771,946	(183,767)	2,761,233	—
Loss on Refunding	(654,406)	(802,015)	103,811	(1,352,610)	—
Total Water & Electric Utility	<u>82,023,648</u>	<u>85,149,931</u>	<u>(15,934,956)</u>	<u>151,238,623</u>	<u>5,360,000</u>
<i>Sanitary Sewer Utility:</i>					
1992 Sanitary Sewer System Series B	210,000	—	(65,000)	145,000	70,000
1999 Sanitary Sewer System Series A	2,035,000	—	(185,000)	1,850,000	190,000
1999 Sanitary Sewer System Series B	775,000	—	(70,000)	705,000	70,000
2000 Sanitary Sewer System Series B	1,460,000	—	(120,000)	1,340,000	120,000
2002 Sanitary Sewer System Series A	1,530,000	—	(105,000)	1,425,000	105,000
2002 Sanitary Sewer System Refunding	4,975,000	—	(560,000)	4,415,000	570,000
2003 Sanitary Sewer System Series B	2,650,000	—	(165,000)	2,485,000	165,000
2004 Sanitary Sewer System Series B	515,000	—	(30,000)	485,000	30,000
2006 Sanitary Sewer System Series B	770,000	—	(40,000)	730,000	45,000
2007 Sanitary Sewer System Series B	1,650,000	—	(80,000)	1,570,000	80,000
2009 Sanitary Sewer System	10,405,000	—	—	10,405,000	—
2010 Sanitary Sewer System Series A	6,214,764	24,792,789	—	31,007,553	—
Premiums (Discounts)	17,309	—	10,034	27,343	—
Total Sanitary Sewer Utility	<u>33,207,073</u>	<u>24,792,789</u>	<u>(1,409,966)</u>	<u>56,589,896</u>	<u>1,445,000</u>
Total Revenue Bonds	<u>115,230,721</u>	<u>109,942,720</u>	<u>(17,344,922)</u>	<u>207,828,519</u>	<u>6,805,000</u>

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011	Current Portion
Business-type Activities (cont):					
Special Obligation Bonds:					
<i>Water and Electric Utility:</i>					
2006 Water and Electric	38,535,000	—	—	38,535,000	—
2008 Water and Electric	21,465,000	—	—	21,465,000	—
Premiums	1,352,963	—	(61,181)	1,291,782	—
Total Electric Utility	<u>61,352,963</u>	<u>—</u>	<u>(61,181)</u>	<u>61,291,782</u>	<u>—</u>
<i>Sanitary Sewer Utility:</i>					
2001 Sanitary Sewer	1,790,000	—	(130,000)	1,660,000	135,000
2006 Sanitary Sewer	7,230,000	—	(325,000)	6,905,000	335,000
Premiums	43,412	—	(2,970)	40,442	—
Total Sanitary Sewer Utility	<u>9,063,412</u>	<u>—</u>	<u>(457,970)</u>	<u>8,605,442</u>	<u>470,000</u>
<i>Solid Waste Utility:</i>					
2001 Refuse System	3,090,000	—	(225,000)	2,865,000	235,000
2006 Refuse System	3,595,000	—	(355,000)	3,240,000	380,000
Premiums/(Discounts)	70,917	—	(11,486)	59,431	—
Loss on Refunding	(39,400)	—	7,387	(32,013)	—
Total Solid Waste Utility	<u>6,716,517</u>	<u>—</u>	<u>(584,099)</u>	<u>6,132,418</u>	<u>615,000</u>
<i>Parking Facilities:</i>					
2006 Parking Facilities	4,715,000	—	(555,000)	4,160,000	570,000
2009 Parking Facilities	13,030,000	—	—	13,030,000	—
Premiums/(Discounts)	153,278	—	(19,223)	134,055	—
Loss on Refunding	(173,214)	—	28,116	(145,098)	—
Total Parking Facilities	<u>17,725,064</u>	<u>—</u>	<u>(546,107)</u>	<u>17,178,957</u>	<u>570,000</u>
Total Special Obligation Bonds	<u>94,857,956</u>	<u>—</u>	<u>(1,649,357)</u>	<u>93,208,599</u>	<u>1,655,000</u>
Accrued Compensated Absences	1,646,004	1,418,569	(1,379,473)	1,685,100	1,265,105
Capital Lease Obligation	—	252,816	(10,653)	242,163	21,873
Net Pension Obligation	—	3,777,235	(3,584,596)	192,639	—
Other long-term liabilities:					
Loan Payable Water and Electric	470,149	—	(470,149)	—	—
Accrued Landfill Closure/Post Closure Care Costs	1,303,914	—	(380,186)	923,728	270,280
Total Other Long-Term Liabilities	<u>1,774,063</u>	<u>—</u>	<u>(850,335)</u>	<u>923,728</u>	<u>270,280</u>
Total Revenue Bonds (from above)	115,230,721	109,942,720	(17,344,922)	207,828,519	6,805,000
Total Business-type Activities	<u>\$ 213,508,744</u>	<u>\$ 115,391,340</u>	<u>\$ (24,819,336)</u>	<u>\$ 304,080,748</u>	<u>\$ 10,017,258</u>

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

B. Debt Service Requirements to Maturity

The annual requirements to amortize all bonded debt outstanding as of September 30, 2011 totaling \$540,731,634, including interest payments of \$191,603,791, are as follows:

Year ending September 30	<u>Governmental Activities:</u>		<u>Business-type Activities:</u>	
	<u>Lemone Trust Notes and</u>		<u>Special Obligation</u>	
	<u>Special Obligation</u>		<u>2001, 2006A, 2006C, 2008A and 2009</u>	
	<u>2006B, 2008B and 2011</u>		<u>2001, 2006A, 2006C, 2008A and 2009</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 4,590,230	2,343,244	1,655,000	4,498,050
2013	4,814,343	2,114,207	1,710,000	4,430,463
2014	5,045,578	1,875,309	1,780,000	4,358,056
2015	5,290,542	1,624,645	1,870,000	4,274,641
2016	5,543,585	1,353,189	1,965,000	4,181,115
2017-2021	12,826,011	4,383,322	11,335,000	19,435,083
2022-2026	8,675,000	1,918,047	16,615,000	16,470,073
2027-2031	4,090,000	186,525	28,915,000	11,116,759
2032-2036	—	—	26,015,000	2,163,925
2037-2041	—	—	—	—
2042	—	—	—	—
	<u>\$ 50,875,289</u>	<u>\$ 15,798,488</u>	<u>\$ 91,860,000</u>	<u>\$ 70,928,165</u>

Business-type Activities: (continued)

Year ending September 30	<u>Revenue Bonds</u>			
	<u>Sanitary Sewer Utility*</u>		<u>Water and Electric</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 1,445,000	1,741,789	5,360,000	5,720,273
2013	2,139,642	1,679,838	5,145,000	5,975,351
2014	2,768,933	1,601,555	5,365,000	5,763,579
2015	2,835,479	1,515,729	5,695,000	5,525,948
2016	2,902,602	1,427,660	5,940,000	5,271,054
2017-2021	13,069,073	5,857,629	30,415,000	22,514,456
2022-2026	10,232,778	4,383,103	31,945,000	16,097,939
2027-2031	14,246,126	2,795,810	26,675,000	10,200,691
2032-2036	6,922,920	636,518	23,135,000	5,043,178
2037-2041	—	—	8,845,000	1,093,925
2042	—	—	1,310,000	31,113
	<u>\$ 56,562,553</u>	<u>\$ 21,639,631</u>	<u>\$ 149,830,000</u>	<u>\$ 83,237,507</u>

TOTAL DEBT

SERVICE REQUIREMENTS

Year ending September 30	<u>TO MATURITY</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 13,050,230	14,303,356
2013	13,808,985	14,199,859
2014	14,959,511	13,598,499
2015	15,691,021	12,940,963
2016	16,351,187	12,233,018
2017-2021	67,645,084	52,190,490
2022-2026	67,467,778	38,869,162
2027-2031	73,926,126	24,299,785
2032-2036	56,072,920	7,843,621
2037-2041	8,845,000	1,093,925
2042	1,310,000	31,113
	<u>\$ 349,127,842</u>	<u>\$ 191,603,791</u>

* Sewer revenue principal and interest includes an estimated payment schedule based on the drawdowns on the 2010A SRF issue of \$31,007,553, as of September 30, 2011. The interest rate on this issue is 1.49%. The maximum principal amount that can be drawn down is \$59,335,000.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

C. Special Obligation Improvement Bonds – Series 2009A, Series 2008A, and Series 2008B

In September of 2009, the City issued \$13,030,000 of Taxable Special Obligation Improvement Bonds (Build America Bonds/Direct Subsidy). The bonds are special limited obligations of the City, payable solely from the annual appropriation of funds of the City for that purpose. The bonds were issued for the purpose of i) providing funds to acquire, construct and equip extensions, improvements, additions and enlargements of the City's Parking Utility; ii) making a deposit to the Debt Service Reserve Account; and iii) paying costs and expenses incident to the issuance of the Bonds. Interest is paid semiannually on March 1 and September 1. Principal maturities are to be paid March 1, 2017 and annually thereafter through March 1, 2034. At the option of the City, the Bonds may be subject to redemption and payment prior to maturity, on March 1, 2019 and thereafter in whole or in part at any time in any order of maturity selected by the City and by lot in multiples of \$5,000 within a maturity, at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date. The interest rates on this issue range from 4.3% to 6.2%, prior to the interest subsidy as explained in the following paragraph. The bonds require \$1,071,317 in a debt service reserve account.

The City is making the irrevocable election to have Section 54AA of the Internal Revenue Code of 1986, as amended (the "Code") apply to the Bonds so the Bonds may qualify as "build America bonds" (the "BABs") under Code Section 54AA(d). The City is further making the irrevocable election to have Section 54AA(g) of the Code apply to the Bonds so the Bonds qualify as "qualified bonds" under Code Section 54AA(g) in order to receive the refundable credits allowed to issuers pursuant to Sections 54AA(g)(1) and 6431 of the Code with respect to "qualified bonds" (the "BABs Interest Subsidy Payments"). Under current law, the BABs Interest Subsidy Payments are to be paid by the United States directly to any issuer of bonds that qualify as BABs and as "qualified bonds" in an amount equal to 35% of the interest payable by such issuer on such bonds on each interest payment date, provided that certain requirements, as described in the Code and related IRS pronouncements, as to the uses and investment of the bond proceeds and other matters, are continuously satisfied by such issuer. The City is covenanting to comply with the requirements of the Code necessary to maintain the qualification of the Bonds as BABs under Code Section 54AA(d) and as "qualified bonds" under Code Section 54AA(g).

In March of 2008, the City issued \$21,465,000 of Special Obligation Electric Utility Improvement Bonds. The bonds are special obligations of the City payable solely from the annual appropriation of funds by the City for that purpose. The bonds are to be treated as utility revenue bonds of the Electric Utility, and are secured by pledged revenues of the Electric Utility. The bonds were issued for the purpose of providing funds to extend, expand, improve, repair, replace, and equip the Electric Utility. Interest is paid semiannually on April 1 and October 1. Principal maturities are to be paid October 1, 2016, and thereafter through October 1, 2033. At the option of the City, the Bonds may be subject to redemption and payment prior to maturity on or after October 1, 2017 in whole at any time, and in part on any interest payment date at the redemption price of 100% of the principal amount redeemed plus accrued interest to the redemption date. The bonds maturing October 1, 2023, October 1, 2025, October 1, 2028, October 1, 2030, and October 1, 2033 (collectively the "Term Bonds"), shall be subject to mandatory redemption and payment prior to maturity at the principal amount thereof plus accrued interest to the redemption date, without premium. The interest rates on this issue range from 4.00% to 5.50%. The bonds require \$2,146,500 in a debt service reserve account.

In May 2008, the City issued \$26,795,000 2008B Special Obligation Improvement Bonds to fund the construction, expansion, renovation and equipping of the City's downtown government center. Interest is paid semi-annually on March 1 and September 1. These bonds are special obligations of the City payable solely from the annual appropriation of funds by the City for that purpose. The bonds are not secured by a mortgage of the downtown government center or any other property. Principal payments are due each March 1 with the final payment due March 1, 2028. At the option of the City, the Bonds may be subject to redemption and payment prior to maturity, on March 1, 2018 and thereafter in whole at any time or in part on any interest payment date in any order of maturity selected by the City and by lot in multiples of \$5,000 within a maturity, at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date. The bonds maturing March 1, 2023, March 1, 2026 and March 1, 2028 (collectively the "Term Bonds"), shall be subject to mandatory redemption and payment prior to maturity at the principal amount thereof plus accrued interest to the redemption date, without

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

premium. Interest rates on this issue range from 3.5% to 5%. The bonds require \$2,194,500 in a debt service reserve account.

D. Special Obligation Notes - Series 2007A, 2010

In June 2007, the City issued \$3,740,000 2007A Special Obligation Notes for the acquisition of property for a southeast regional park. Interest was paid semi-annually on March 1 and September 1. The final interest and principal payment was made March 1, 2011. These notes were not subject to optional redemption and payment prior to their stated maturity. The interest rate on this issue was 4.23%. These notes were special obligations of the City payable solely from the annual appropriation of funds by the City for that purpose. Principal and interest payments were paid from the Parks sales tax. This debt was issued as "bank qualified" which limited the City to issue no more than \$10 million of debt in calendar year 2007.

In December 2010 the City assumed a bank loan in the amount of \$2,550,000 taken by Columbia Area Jobs Foundation (CAJF) to pay Robert F LeMone Trust for the purchase of 2810 LeMone Industrial Boulevard (the IBM building). This loan has an interest rate of 5.25% and will be paid in monthly installments commencing February 1, 2011 and maturing December 31, 2020. Additionally, the city paid interest due from the initiation of the loan in May 2010 through December 2010. City funds are held in escrow at Boone County National Bank equal to the outstanding principal of the loan. Interest payments are subject to annual appropriation.

In December 2010 the City assumed a bank loan in the amount of \$9,229,723 taken by the Columbia Area Jobs Foundation (CAJF) to fund reconstruction of the building located at 2810 LeMone Industrial Boulevard (the IBM building). This loan has an interest rate of 6% and will be paid in monthly installments commencing February 1, 2011 and maturing October 1, 2020. The loan is not a general liability of the City except to the extent of fixed rental income from the lease of the property. The City assumed the ten year lease for the property between CAJF and IBM. The lender may not satisfy or seek a repayment of any sum due pursuant to the Loan from the City except by foreclosing on the items of collateral which secure the payment of the loan (the IBM building).

E. Special Obligation Refunding and Capital Improvement Bonds - Series 2006, 2006B and 2006C

In September of 2006, the City issued \$38,535,000 of Special Obligation Electric Utility Improvement Bonds. The bonds are special obligations of the City payable solely from the annual appropriation of funds by the City for that purpose. The bonds are to be treated as utility revenue bonds of the Electric Utility, and are secured by pledged revenues of the Electric Utility. The bonds were issued for the purpose of providing funds to extend, expand, improve, repair, replace, and equip the Electric Utility. Interest is paid semiannually on April 1 and October 1. Principal maturities are to be paid October 1, 2023, and thereafter through October 1, 2032. At the option of the City, the Bonds may be subject to redemption and payment prior to maturity on or after October 1, 2016 on any interest payment date at the redemption price of 100% of the principal amount redeemed plus accrued interest to the redemption date. The interest rates on this issue range from 4.25% to 5.00%. The bonds require \$3,853,500 in a debt service reserve account.

In June of 2006, the City issued \$25,615,000 of Special Obligation Revenue Refunding and Improvement Bonds for the purpose of i) advance refunding the Certificates of Participation (City of Columbia, Missouri, Lessee), Series 2001A, outstanding in the principal amount of \$2,085,000; ii) funding certain public safety and road capital improvements within the City; iii) making a deposit to the Debt Service Reserve Account; and iv) paying costs of issuance. Interest is paid semiannually on February 1 and August 1. Principal payments are due on February 1. The final payment is due February 1, 2016. The interest rate on this issue is 5.00%. The Bonds are special limited obligations of the City, payable solely from the annual appropriation of funds by the City for that purpose. The bonds require \$2,561,500 in a debt service reserve account.

On February 1, 2006, the City issued \$20,005,000 of Special Obligation Revenue Refunding and Improvement Bonds for the purpose of i) currently refunding the outstanding portion of the City's Special Obligation Refunding and Capital Improvement Bonds, Series 1996; ii) currently refunding the outstanding portion of the City's Parking

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

Utility Revenue Bonds, Series 1995; iii) construction, improving and extending the City-owned sanitary sewer utility; iv) construction and improving the City-owned solid waste utility; v) funding a debt service reserve account; vi) paying cost of issuance. Interest is paid semiannually on February 1 and August 1. Principal payments are due on February 1. The final payment is due February 1, 2026. Interest rates on this issue range from 4.00% to 5.00%. The Bonds are special limited obligations of the City, payable solely from the annual appropriation of funds by the City for that purpose. The bonds require \$1,752,268 in a debt service reserve account.

F. Special Obligation Bonds - Series 2001A and 2001B

In November 2001, the City issued \$2,685,000 of Special Obligation Series A Bonds and \$4,640,000 of Special Obligation Series B Bonds for the purpose of acquisition, construction, improvement and extension of the City-owned sanitary sewer utility and the City's solid waste utility. Interest is paid semiannually on February 1 and August 1. Principal payments are due on February 1. The final payment is due on February 1, 2021. Interest rates on this issue range from 3.65% to 4.80%.

The 2001 Series A Bonds, \$2,685,000, are reported in the Sanitary Sewer Utility Enterprise Fund and the 2001 Series B Bonds, \$4,640,000, are reported in the Solid Waste Utility Enterprise Fund.

The bonds are special obligations of the City payable solely from the annual appropriation of funds by the City for that purpose. The series 2001A bonds require \$214,840 in a debt service reserve account. The series 2001B bonds require \$370,680 in a debt service reserve account.

G. Water and Electric Revenue Bonds – 2011 Series, 2009 Series, 2005 Series, 2004 Series, 2003 Series, 2002 Series, and 1998 Series

In May of 2011, the City issued \$84,180,000 of Water and Electric System Revenue Bonds. The bonds are to be paid by the net revenues of the system and are secured by a first lien on the revenues. \$12,465,000 of the bonds were issued to refund \$11,680,000 of the outstanding 2002 Water and Electric Revenue Bonds, \$49,500,000 was issued to purchase the Columbia Energy Center, and \$22,215,000 was issued to provide funding for improvements and additions to the City's waterworks facilities. Interest is paid semiannually on April 1 and October 1. Principal is due each year on October 1 through October 1, 2041. Bonds maturing on October 1, 2020, and thereafter are subject to redemption prior to maturity at the option of the City at any time on or after October 1, 2019, at redemption price of 100% of the principal amount redeemed plus accrued interest to the redemption date. The interest rates on this issue range from 3.00% to 5.00%.

In September of 2009, the City issued \$16,725,000 of Water and Electric System Revenue Bonds. The bonds are to be paid by the net revenues of the system and are secured by a first lien on the revenues. The bonds were issued to provide funding for improvements and additions to the City's waterworks. Interest is paid semiannually on April 1 and October 1. Principal is due each year on October 1 through October 1, 2034. Bonds maturing on October 1, 2020, and thereafter are subject to redemption prior to maturity at the option of the City at any time on or after October 1, 2019, at redemption price of 100% of the principal amount redeemed plus accrued interest to the redemption date. The interest rates on this issue range from 3.00% to 4.125%.

In May of 2005, the City issued \$30,630,000 of Water and Electric System Revenue Bonds. The bonds are to be paid by the net revenues of the system and are secured by a first lien on the revenues. \$19,425,000 of the bonds were issued to refund \$19,685,000 of the outstanding 1998 Water and Electric Revenue Bonds, and \$11,205,000 were issued to provide funding for improvements and additions to the City's waterworks and electric facilities. Interest is paid semiannually on April 1 and October 1. Principal is due each year on October 1 through October 1, 2029. Bonds maturing on October 1, 2016, and thereafter are subject to redemption prior to maturity at the option of the City at any time on or after October 1, 2015, at a redemption price of 100% of the principal amount redeemed plus accrued interest to the redemption date. The interest rates on this issue range from 3.00% to 5.25%.

In March of 2004, the City issued \$17,095,000 of Water and Electric System Revenue Bonds. The bonds are to be paid by the net revenues of the system and are secured by a first lien on the revenues. The bonds were issued to provide funding for improvements and additions to the City's waterworks facilities. Interest is paid semiannually on

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

April 1 and October 1. Principal is due on April 1 and October 1 on maturities through October 1 2009, and thereafter on October 1 through October 1, 2028. Bonds maturing on October 1, 2015, and thereafter are subject to redemption prior to maturity at the option of the City at any time on or after October 1, 2014, at a redemption price of 100% of the principal amount redeemed plus accrued interest to the redemption date. The interest rates on this issue range from 2.00% to 4.25%.

In February of 2003, the City issued \$8,950,000 of Water and Electric System Revenue Bonds. The bonds are secured by a pledge of the revenues of the Water and Electric System. The bonds were issued for the purpose of refunding the City's Water and Electric System Revenue Bonds, 1985 Series B. Interest is paid semiannually on June 1 and December 1, and principal is due each year on December 1 through December 1, 2015. Bonds maturing on December 1, 2012, and thereafter are subject to redemption prior to maturity at the option of the City at any time on or after December 1, 2011, at a redemption price of 100% of the principal amount redeemed plus accrued interest to the redemption date. The interest rates on this issue range from 2.00% to 5.00%.

In February of 2002, the City issued \$16,490,000 of Water and Electric System Revenue Bonds. The bonds are to be paid by the net revenues of the system and are secured by a first lien on the revenues. The bonds were issued to provide funding for improvements and additions to the City's waterworks and electric facilities. Interest is paid semiannually on April 1 and October 1. Principal is due each year on October 1 through October 1, 2026. Bonds maturing on October 1, 2013, and thereafter are subject to redemption prior to maturity at the option of the City at any time on or after October 1, 2012, at a redemption price of 100% of the principal amount redeemed plus accrued interest to the redemption date. In May 2011, the City placed \$12,479,033 in escrow to provide for the payment of these maturities. The interest rates on this issue range from 3.00% to 6.00%.

In March of 1998, the City issued \$28,295,000 of Water and Electric System Revenue Bonds. The bonds are to be paid by the net revenues of the system and are secured by a first lien on the revenues. \$5,535,000 of the bonds were issued to refund \$5,215,000 of the outstanding 1992 Water and Electric Revenue Bonds, and \$22,760,000 were issued to provide funding for improvements and additions to the City's waterworks and electric facilities. Interest is paid semiannually on April 1 and October 1. Principal is due each year on October 1 through October 1, 2022. Bonds maturing on October 1, 2009, and thereafter are subject to redemption prior to maturity at the option of the City at any time on or after October 1, 2008, at a redemption price of 100% of the principal amount redeemed plus accrued interest to the redemption date. \$19,685,000 was redeemed on October 1, 2008. The interest rates on this issue range from 3.75% to 6.00%.

The bond ordinances require 110% coverage of the aggregate debt service for each fiscal year. The Water and Electric Utility Fund is required to be accounted for in a separate enterprise fund under the bond ordinances. These ordinances also require that after sufficient current assets have been set aside to operate the fund, all remaining monies held by the fund be restricted in separate accounts in the following sequence:

<u>Nature of accounts</u>	<u>Amount</u>	<u>Authorized expenditures</u>
(a) Current bond maturities and interest	Monthly accumulations equal to semiannual debt service.	Paying current principal and interest on bonds.
(b) Revenue bond reserve	Amount equal to 1/60th of the debt service requirements until said account shall equal the debt reserve requirements in the amount of \$19,096,738.	Paying principal and interest in the event of a deficiency in the current bond maturities and interest account.
(c) Renewal and replacement account	Amount of \$25,000 per month. Such payments shall be continued until the amount deposited and held in said fund shall equal \$1,500,000.	Paying unforeseen contingencies and meeting emergencies arising in the operation of the system.
(d) Revenue bond construction	To account for revenue bond issue proceeds prior to their expenditure for construction of utility plant.	To provide funds to pay construction cost to the extent such monies are available.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

H. Sanitary Sewer Revenue Bonds – 2010 Series, 2009 Series, 2007 Series B, 2006 Series B, 2004 Series B, 2003 Series B, 2002 Refunding Series, 2002 Series A, 2000 Series B, 1999 Series A, 1999 Series B, and 1992 Series B

The City issued \$59,335,000 of Sewerage System Revenue Bonds, Series A in January of 2010. This issue has a not to exceed amount of \$59,335,000. As of September 30, 2011, \$31,007,553 of this has been drawn down and is recorded as revenue bonds payable in the Sanitary Sewer Utility Fund. These bonds are to be paid by the net revenues of the system, and are secured by a first lien on the revenues of the system. These bonds were issued for extending and improving the sewerage system. Payments of principal are due on each January 1 and July 1 beginning July 1, 2013 through July 1, 2032. Interest payments are due on January 1 and July 1. The Bonds may be called for redemption and payment prior to stated maturity in whole or in part at any time, at the redemption price of 100% of the principal amount thereof plus accrued interest thereon to the date of redemption. The interest rate on this issue is 1.49%.

In September of 2009, the City issued \$10,405,000 of Taxable Sewerage System Revenue Bonds (Build America Bonds/Direct Subsidy). The bonds are special limited obligations of the City, payable solely from the net income and revenues derived by the City from the operation of its sewerage system, after payment of costs of operation and maintenance. The bonds were issued for the purpose of i) providing funds to acquire, construct and equip extensions, improvements, additions and enlargements of the City's Sewer System; ii) making a deposit to the Debt Service Reserve Account; and iii) paying costs and expenses incident to the issuance of the Bonds. Interest is paid semiannually on April 1 and October 1. Principal maturities are to be paid October 1, 2024 and annually thereafter through October 1, 2034. At the option of the City, the Bonds may be subject to redemption and payment prior to maturity, on October 1, 2019 and thereafter in whole or in part at any time in any order of maturity selected by the City and by lot in multiples of \$5,000 within a maturity, at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date. The interest rates on this issue range from 5.44% to 6.02%, prior to the interest subsidy as explained in the following paragraph.

The City is making the irrevocable election to have Section 54AA of the Internal Revenue Code of 1986, as amended (the "Code") apply to the Bonds so the Bonds may qualify as "build America bonds" (the "BABs") under Code Section 54AA(d). The City is further making the irrevocable election to have Section 54AA(g) of the Code apply to the Bonds so the Bonds qualify as "qualified bonds" under Code Section 54AA(g) in order to receive the refundable credits allowed to issuers pursuant to Sections 54AA(g)(1) and 6431 of the Code with respect to "qualified bonds" (the "BABs Interest Subsidy Payments"). Under current law, the BABs Interest Subsidy Payments are to be paid by the United States directly to any issuer of bonds that qualify as BABs and as "qualified bonds" in an amount equal to 35% of the interest payable by such issuer on such bonds on each interest payment date, provided that certain requirements, as described in the Code and related IRS pronouncements, as to the uses and investment of the bond proceeds and other matters, are continuously satisfied by such issuer. The City is covenanting to comply with the requirements of the Code necessary to maintain the qualification of the Bonds as BABs under Code Section 54AA(d) and as "qualified bonds" under Code Section 54AA(g).

The City issued \$1,800,000 of Sewerage System Bonds, Series B in November of 2007. These bonds are to be paid by the net revenues of the system, and are secured by a first lien on the revenues of the system. These bonds were issued for extending and improving the sewerage system. Payments of principal are due on January 1 of each year, beginning in 2009, through January 1, 2028, and interest payments are due on January 1 and July 1. The bonds maturing on and after January 1, 2018, are redeemable on each June 1 and December 1, commencing on December 1, 2016, at par plus accrued interest. The interest rates range from 4.00% to 5.00% on this issue.

The City issued \$915,000 of Sewerage System Bonds, Series B in November of 2006. These bonds are to be paid by the net revenues of the system, and are secured by a first lien on the revenues of the system. These bonds were issued for extending and improving the sewerage system. Payments of principal are due on July 1 of each year, beginning in 2007, through July 1, 2026, and interest payments are due on January 1 and July 1. The bonds maturing on and after July 1, 2017, are redeemable on each June 1 and December 1, commencing on June 1, 2016, at par plus accrued interest. The interest rates range from 4.00% to 5.00% on this issue.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

The City issued \$650,000 of Sewerage System Bonds, Series B in May of 2004. These bonds are to be paid by the net revenues of the system, and are secured by a first lien on the revenues of the system. These bonds were issued for extending and improving the sewerage system. Payments of principal are due on January 1 of each year through January 1, 2025, and interest payments are due on January 1 and July 1. The bonds maturing on and after January 1, 2015, are redeemable on each June 1 and December 1, commencing on June 1, 2014, at par plus accrued interest. The interest rates range from 2.00% to 5.25 % on this issue.

The City issued \$3,620,000 of Sewerage System Revenue Bonds, Series B in May of 2003. These bonds are to be paid by the net revenues of the system, and are secured by a first lien on the revenues of the system. These bonds were issued for extending and improving the sewerage system. Payments of principal are due on January 1 of each year through January 1, 2024, and interest payments are due on January 1 and July 1. The bonds maturing on and after January 1, 2014, are redeemable on each June 1 and December 1, commencing on December 1, 2012, at par plus accrued interest. The interest rates range from 2.00% to 5.25% on this issue.

The City issued \$7,940,000 of Sewerage System Revenue Refunding Bonds in September of 2002. These bonds are to be paid by the net revenues of the system, and are secured by a first lien on the revenues of the system. These bonds were issued to refund the 1992 Sewerage System Revenue Bonds. Payments of principal are due on October 1 of each year through October 1, 2017, and interest payments are due on October 1 and April 1. The bonds maturing on and after October 1, 2013, are redeemable on each October 1 and April 1, commencing on October 1, 2012, at par plus accrued interest. The interest rates range from 2.0% to 4.0% on this issue.

The City issued \$2,230,000 of Sewerage System Revenue Bonds, Series A in May of 2002. These bonds are to be paid by the net revenues of the system, and are secured by a first lien on the revenues of the system. These bonds were issued for extending and improving the sewerage system. Payments of principal are due on January 1 of each year through January 1, 2023, and interest payments are due on January 1 and July 1. The bonds maturing on and after January 1, 2013, are redeemable on each June 1 and December 1, commencing on June 1, 2012, at par plus accrued interest. The interest rates range from 3.0% to 5.375% on this issue.

The City issued \$2,445,000 of Sewerage System Revenue Bonds, Series B in November of 2000. These bonds are to be paid by the net revenues of the system, and are secured by a first lien on the revenues of the system. These bonds were issued for extending and improving the sewerage system. Payments of principal are due on July 1 of each year through July 1, 2021, and interest payments are due on January 1 and July 1. The bonds maturing on and after July 1, 2013, are redeemable on each June 1 and December 1, commencing on December 1, 2010, at par plus accrued interest. The interest rates range from 4.350% to 5.625% on this issue.

The City issued \$1,420,000 of Sewerage System Revenue Bonds, Series B in December of 1999. These bonds are to be paid by the net revenues of the system, and are secured by a first lien on the revenues of the system. These bonds were issued for extending and improving the sewerage system. Payments of principal are due on July 1 of each year through July 1, 2020, and interest payments are due on January 1 and July 1. The bonds maturing on and after July 1, 2011, are redeemable on each June 1 and December 1, commencing on June 1, 2010, at par plus accrued interest. The interest rates range from 4.125% to 6.000% on this issue.

The City issued \$3,730,000 of Sewerage System Revenue Bonds, Series A in June of 1999. These bonds are to be paid by the net revenues of the system, and are secured by a first lien on the revenues of the system. These bonds were issued for extending and improving the sewerage system. Payments of principal are due on January 1 of each year through January 1, 2020, and interest payments are due on January 1 and July 1. The bonds maturing on and after January 1, 2010, are redeemable on each June 1, and December 1, commencing on June 1, 2009, at par plus a premium of 1% reduced by .5% each year thereafter to June 1, 2011. The interest rates range from 3.625% to 5.25% on this issue.

The City issued \$870,000 of Sewerage System Series B Revenue Bonds in June of 1992. These bonds are to be paid by the net revenues of the system, and are secured by a first lien on the revenues of the system. These bonds were issued for extending and improving the sewerage system. Payments of principal are due on January 1 of each year through January 1, 2013, and interest payments are due on January 1 and July 1. The bonds maturing

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

January 1, 2008, and January 1, 2013, are redeemable on each June 1, and December 1, commencing on June 1, 2002, at par plus a premium of 2% reduced by 1% each year thereafter to June 1, 2004. The interest rates range from 4.25% to 6.55% on this issue.

The bond ordinances require 110% coverage of the aggregate debt service for each fiscal year. In compliance with the bond ordinances, the Sanitary Sewer Utility Fund is accounted for in a separate enterprise fund. Additional bond ordinance requirements provide for the restricting of operating revenues after current operating expenses have been met. These restrictions occur in the following sequence:

<u>Nature of accounts</u>	<u>Amount</u>	<u>Authorized expenditures</u>
(a) Operation and maintenance	Equal to one month's operating expenses of the utility.	Operating expenses when non-restricted current assets are not available for payment.
(b) Sinking fund (cash with fiscal agent)	Current fiscal year bond maturity and interest accumulated monthly.	Payment of current principal and interest on bonds.
(c) Revenue bond reserve	Amount equal to \$214,840 for the 2001 Special Obligation Series A Bonds, \$624,241 for the 2006 Special Obligation Bonds, and \$937,989 for the 2009 Revenue Bonds. The 2002 Refunding Series included a premium paid of \$26,039 for a debt service reserve fund policy of \$743,963.	Payment of principal and interest due on bonds when other funds are unavailable.
(d) Contingency	Amount of \$2,000 per month. Such payments shall continue until the amount deposited and held in said fund shall equal \$200,000.	Unforeseen contingencies; emergencies affecting operation and maintenance replacement for effective and efficient operation.
(e) Revenue bond construction	To account for revenue bond issue proceeds prior to expenditure for construction of utility plant additions.	Cost of construction projects.

In April 2008, voters approved the issuance of Sanitary Sewer Revenue bonds in the amount of \$77,000,000. As of September 30, 2011, there is \$16,786,000 remaining from this authorization that has not been issued.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

I. Capital Lease Agreements

On January 19, 2010, the City entered into an amendment to the ground lease agreement with Central Missouri Aviation, Inc. for future renovations and improvements to the fixed base operator hangar at Columbia Regional Airport. All improvements are the property of the City and were completed in 2011. This agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments of \$252,816 with an interest rate of 3.5% beginning April 1, 2011 and a final maturity of March 1, 2021.

The following is a schedule of the present value of net minimum lease payments for this capital lease as of September 30, 2011:

	<u>Debt Business-type Activities</u>
Year ending September 30:	
2012-2016	\$150,000
2017-2021	<u>135,000</u>
Total minimum lease payments	285,000
Less amount representing interest	<u>42,837</u>
 Present value of net minimum lease payments	 <u><u>\$242,163</u></u>

The total improvements acquired through the agreement are \$415,306, including a private contribution of \$162,490, and have been added to the capital asset: Structures and Improvements.

J. Pledged Revenues

The City of Columbia has pledged future sanitary sewer operating revenues, net of specified operating expenses, to repay \$65,127,553 in sanitary sewerage system revenue, revenue refunding and special obligation bonds. The bonds are payable solely from sanitary sewer net revenues and are payable through 2034. Annual principal and interest payments on the bonds have required on average 64 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$89,625,728. Principal and interest paid for the current year and total sanitary net revenues for the current year were \$3,716,364 and \$7,579,829, respectively.

The City has pledged future water and electric operating revenues net of operating expenses to repay \$209,830,000 in water and electric system revenue and special obligation bonds. The bonds are to be paid solely from water and electric net revenues and are payable through 2034. Annual principal and interest payments on the bonds have required on average 30 percent of net revenues. Total principal and interest remaining to be paid on the bonds is \$347,458,219. Principal and interest paid for the current year and total net revenues were \$10,529,157 and \$43,712,819, respectively.

K. Conduit Debt – Industrial Revenue Bonds

As of September 30, 2011, \$1,884,000 industrial revenue bonds are outstanding. The debt service on this issue is paid solely from the related bond issue and does not constitute a liability of the City.

L. Legal Debt Margin

The City's assessed value supports a general obligation bond limit of \$334,950,607. The City did not have any general obligation bonds outstanding as of September 30, 2011.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

X. ADVANCE REFUNDING

The City has defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased debts are not included in the City's government-wide financial statements. On September 30, 2011, \$11,680,000 of Water and Electric revenue bond debt outstanding is considered defeased. The table below details these issues.

<u>Issue</u>	<u>Outstanding at September 30, 2011</u>
Water and Electric 2002 series revenue bonds	11,680,000
Total	\$ 11,680,000

XI. DEFEASANCE

On May 17, 2011, the City of Columbia issued \$12,465,000 in Water and Electric revenue bonds with an average interest rate of 4% to advance refund \$11,680,000 of outstanding 2002 Water and Electric revenue bonds with an average interest rate of 4.85%. The proceeds of \$12,479,033 (after payment of \$368,960 of issuance costs, establishing a reserve of \$350,000, a City contribution of \$131,984, and a premium of \$601,009) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2002 Water and Electric revenue bonds maturing on and after October 1, 2013. As a result, this portion of the 2002 Water and Electric revenue bonds are considered to be defeased and the liability for those bonds has been removed from the Water and Electric Utility Fund.

The reacquisition price exceeded the net carrying amount of the old debt by \$802,015. This amount is being netted against the new debt and amortized over the remaining life of the new debt, which is the same as the life of the refunded debt. As a result of the advance refunding the City reduced its total debt service requirements by \$182,499, which resulted in an economic gain of \$122,822.

XII. RISK MANAGEMENT

A. Self-insurance

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 1988, the City established a risk management program for workers' compensation, liability, and property losses with two issues of special obligation bonds (repaid) to establish reserves for self-insurance. An excess coverage insurance policy covers individual claims in excess of \$500,000 for general liability, \$100,000 for property losses, and workers' compensation claims in excess of \$500,000. The City carries insurance policies with outside insurers for airport, railroad, health clinic, and boiler and explosion claims. There has been no significant change in insurance coverage from the previous fiscal year. Settled claims have not exceeded self-insurance or deductible levels on any insurance coverage in any of the past three years.

All operations of the City participate in the program and make payments to the Self-insurance Reserve Internal Service Fund's Liquidity Reserve based on an estimate of the amounts needed to pay claims, and to meet the debt service requirements of the self-insurance bond issues. The claims liability of \$4,540,747 reported in the Self-insurance Reserve Fund at September 30, 2011 is based on the requirements of Governmental Accounting Standards

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. None of the claims liability have been discounted. The City has not purchased annuity contracts from commercial insurers to satisfy liabilities for any claim, therefore, no liability for claims has been removed from the balance sheet. Changes in the claims liability amount in fiscal years 2010 and 2011 were:

	<u>Beginning of fiscal year liability</u>	<u>Current year Claims and changes in estimates</u>	<u>Claim payments</u>	<u>Balance fiscal year-end</u>
9/30/2010	\$ 4,735,000	\$ 2,261,340	\$ (2,661,070)	\$ 4,335,270
9/30/2011	\$ 4,335,270	\$ 2,468,169	\$ (2,262,692)	\$ 4,540,747

B. Employees' Health Plan

The Employee Benefit Internal Service Fund accounts for the transactions and reserves associated with the City's medical, dental, prescription drug, life, and long-term disability programs for City employees. Coverage for health, dental, and prescription drug plans are self-insured. The City has a stop-loss attachment point of \$100,000 per person. Other coverages are with commercial insurance carriers.

Incurred but not reported claims of \$743,696 are reported in the Employee Benefit Fund as of September 30, 2011. These medical and dental reserves are estimated based on submitted claim lag reports using a 15-month run-off, which are adjusted for inflation/utilization trends, plan design and population changes. Changes in the claims liability amount in fiscal years 2010 and 2011 were:

	<u>Beginning of fiscal year liability</u>	<u>Current year Claims and changes in estimates</u>	<u>Claim payments</u>	<u>Balance fiscal year-end</u>
9/30/2010	\$ 679,956	\$ 7,803,078	\$ (7,855,633)	\$ 627,401
9/30/2011	\$ 627,401	\$ 8,602,564	\$ (8,486,269)	\$ 743,696

XIII. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require that the City of Columbia place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. During fiscal year 1994, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*. GASB No. 18 requires that, in addition to recognizing operating expenses related to current activities of the landfill, an expense provision and related liability be recognized for future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is accrued ratably over the useful life of the landfill based on the portion of the landfill used during the year and is being recorded in the Solid Waste Utility Enterprise Fund. As of September 30, 2011, the liability recorded for landfill closure and postclosure care costs was \$923,728, which is recorded as part of other liabilities and which is based on 56.49% usage of the landfill, less costs paid to date of \$5,136,934. The City will recognize the remaining costs of closure and postclosure care of \$1,968,439 as the remaining capacity is filled. The estimated total current costs of the landfill closure and postclosure care (\$8,029,101) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor and maintain the landfill were acquired as of September 30, 2011. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

technology, or changes in landfill laws and regulations. The estimated remaining life of the landfill is approximately 16 years.

The City of Columbia has executed a contract of obligation with the Missouri Department of Natural Resources for landfill closure and postclosure care costs. This financial assurance instrument allows the Missouri Department of Natural Resources to collect the required amount from any state funds which could be dispersed to the City should the City fail to perform closure or postclosure care activities.

XIV. CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal, state, and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at September 30, 2011.

B. Litigation

Various suits and claims against the City are presently pending involving claims for personal injury, tax appeals, and miscellaneous cases. In the opinion of management, both individually and in the aggregate, such suits or claims will not have a material effect on the financial position of the City.

XV. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

Except for Railroad employees, all full-time, regular employees of the City of Columbia participate in one of three retirement plans. The City administers two single-employer defined benefit pension plans, the Police Retirement Fund which covers full-time regular police officers, and the Firefighters' Retirement Fund which covers full-time regular firefighters. The Authority to provide pensions for Police and Firefighters is established in Revised Statutes of Missouri (RSMo) Section 86.583, and firefighters' retirement and relief systems for all municipalities in RSMo Section 87.005-87.105. Benefit provisions and contribution requirements are established by City ordinance, and may be amended by City ordinance. The City also participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent, multi-employer statewide public employee retirement plan for units of local government established and is governed by provisions of the Revised Statutes of Missouri (RSMo) Section 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries and covers substantially all of the City's employees not covered by the Police or Firefighters Retirement Funds. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

A. Plan Descriptions

Police and Firefighter Pension

Participants in the Police and the Firefighters' Retirement plans become fully vested at the completion of their probationary period, which is generally one year after employment. Participants are eligible for retirement benefits, payable monthly for life, upon reaching the age of 65, or 20 years of credited service. The plans also provide early

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

retirement, death, and disability benefits. Benefits and refunds of the Police and the Firefighters' Retirement pension plans are recognized and payable when due.

Participants in the Police Retirement plan receive a normal benefit equal to 3.0% of their highest average salary multiplied by the number of years of active service up to 20 years, plus 2% of the highest average salary for each year of service in excess of 20 years, but not to exceed 70% of the highest average salary. This benefit shall continue for life. Participants in the Police Retirement plan employed as of October 1, 1991 could elect a second option. Under this option employees retiring after January 4, 1993 receive a benefit increase of 3% each year from retirement to age 62. When a covered employee reaches age 62, the retirement benefit shall equal 2.2% of the highest average salary times the years of service to a maximum of 52.5% of the highest average salary with 25 years of continuous service. The benefit calculated at age 62 is then increased by 2% for each year from retirement to age 61. This benefit is then payable from age 62 and increased in each future year by 2% of the preceding year's benefit.

Participants in the Firefighters' Retirement plan with 20 or more years of service receive a normal benefit equal to 70% of the highest annual salary plus 2% per year for each year in excess of 20 years, up to a maximum of 80% of the highest annual salary. The normal benefit is increased annually by 2%.

Financial Statements for the Police and Firefighters' Retirement Funds are presented within this document. There are no separately issued financial statements for the Police and Firefighters' Retirement Funds.

DROP

The Deferred Retirement Option Program (DROP), implemented on August 21, 2007, is a program that allows qualified employees to retire without terminating their employment for up to 5 years while their retirement benefits accumulate and earn interest compounded monthly at an effective annual rate of 4.0%. This program is available to eligible active members of the Columbia Police Department or the Columbia Fire Department who are in the Police Retirement Fund or Firefighters' Retirement Fund, respectively.

Eligible members of the Police Retirement Fund or Firefighters' Retirement Fund may participate in DROP when vested and they have reached their normal retirement date. In most cases an employee's normal retirement date is when vested and upon reaching age 65, or when they have completed 20 years of service, regardless of their age.

DROP eligibility begins the first month an employee reaches their normal retirement date. DROP participants must have written authorization from their employer and approval by the Administrator. In no event may the DROP period exceed 60 months.

If the qualified employee fails to terminate employment at the end of the DROP period, both the retirement and DROP participation will be voided, and the employer must pay any additional contributions that may be required to establish service credit for the time the participant was in DROP.

LAGERS

Participants in the LAGERS plan become fully vested after five years of service. Participants are eligible for a monthly defined service retirement benefit with full benefits for general and utility employees at age sixty. Actuarially reduced benefits are available for general and utility employees at age fifty-five. An alternate unreduced retirement provision is available based on age and service totaling 80 years. LAGERS also provides disability and death benefits.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

Membership of each plan consisted of the following at the date of the latest actuarial valuation:

	Police Pension	Fire Pension	LAGERS
Number of participants:			
Current membership (receiving benefits)	118	127	473
Terminated entitled, not yet receiving benefits	12	—	227
* Current active members	151	128	942

* Included in the total for current active Police and Fire members are 12 Fire DROP (Deferred Retirement Option Program) members and 7 Police DROP members.

B. Funding Policy

The City's Police and Fire pension contributions for the fiscal year ended September 30, 2011, were made in accordance with actuarially determined contribution requirements determined through actuarial valuation. The LAGERS contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

The City's annual pension cost for the current year and the related information for each plan is as follows:

	Police Plan	Fire Plan	LAGERS
Contribution rates:			
City – general, utility	34.48%	48.91%	15.1%, 17.7%
Plan members – contributory	8.35%	16.32%	—
Plan members – noncontributory	3.50%	—	—
Annual pension cost	\$3,033,164	\$3,598,321	\$6,937,509
Contributions made	\$3,033,164	\$3,598,321	\$6,937,509
Actuarial valuation date	9/30/2010	9/30/2010	2/28/2011
Actuarial cost method	entry age normal	entry age normal	entry age normal
Amortization method	level % of pay-closed	level % of pay-closed	level % of pay-open
Remaining amortization period	29 years	29 years	30 years
Asset valuation method	smooth 4 year market	smooth 4 year market	smooth 5 year market
Actuarial assumptions:			
Investment rate of return	7.5%	7.5%	7.25%
Projected salary increases *	0% – 13.0%	0% – 13.0%	0% – 6.0%
* Includes inflation at	4%	4%	3.5%
Benefit increases	2% annually until attained age of 62; 2% thereafter	2% annually	6% maximum annually based on consumer price index

Prior to September 22, 1985, participants in the police retirement plan were able to elect to receive a higher salary and make a contribution to the plan or elect to receive a lower salary and not make a contribution. For financial reporting purposes for Lagers, the projection of benefits does not explicitly incorporate the potential effects of the legal limit on employer contributions.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

C. Annual Pension Cost

LAGERS

Schedule of Employer Contributions

<u>Fiscal year ending</u>	<u>Annual pension cost (APC)</u>	<u>Per centage of APC contributed</u>	<u>Net pension obligation</u>
6/30/2009	\$ 5,949,643	100%	\$ —
6/30/2010	\$ 6,136,259	100%	\$ —
6/30/2011	\$ 6,937,509	94.9%	\$353,813

Police and Firefighter Pension

Schedule of Employer Contributions

	<u>Fiscal year ending</u>	<u>Annual pension cost (APC)</u>	<u>Per centage of APC contributed</u>	<u>Net pension obligation</u>
Police	9/30/2009	\$ 2,549,967	100%	\$ —
	9/30/2010	\$ 2,693,152	100%	\$ —
	9/30/2011	\$ 3,033,164	100%	\$ —
Fire	9/30/2009	\$ 3,098,617	100%	\$ —
	9/30/2010	\$ 3,330,409	100%	\$ —
	9/30/2011	\$ 3,598,321	100%	\$ —

The City's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. Administration costs are financed by the revenues of the Police and Firefighters' Retirement Funds.

There were no long-term contracts for contributions outstanding on September 30, 2011.

Although the assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

D. Funded Status

The funded status of the Police pension as of September 30, 2010, the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability (AAL)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll	UAL as a Percentage of Covered Payroll
9/30/2010	\$36,987,824	\$66,426,426	\$29,438,602	56%	\$8,549,787	344%

The funded status of the Fire pension as of September 30, 2010, the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability (AAL)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll	UAL as a Percentage of Covered Payroll
9/30/2010	\$54,288,533	\$97,740,285	\$43,451,752	56%	\$7,251,272	599%

The funded status of Lagers as of February 28, 2011, the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability (AAL)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll	UAL as a Percentage of Covered Payroll
2/28/2011	\$88,083,222	\$122,049,477	\$33,966,255	72%	\$41,883,728	81%

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

E. Statements of Fiduciary Net Assets for the Firefighters' and Police Retirement Funds as of September 30, 2011 are as follows:

	<u>Firefighters' Retirement Fund</u>	<u>Police Retirement Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 818,265	\$ 565,056	\$ 1,383,321
Accrued interest	105,059	72,549	177,608
Investments	49,606,377	34,255,892	83,862,269
Capital assets	6,913	4,774	11,687
Accumulated depreciation	<u>(6,913)</u>	<u>(4,774)</u>	<u>(11,687)</u>
Total Assets	<u>50,529,701</u>	<u>34,893,497</u>	<u>85,423,198</u>
LIABILITIES			
Accounts payable	2,783	1,922	4,705
Other liabilities	<u>1,394,315</u>	<u>457,462</u>	<u>1,851,777</u>
Total Liabilities	<u>1,397,098</u>	<u>459,384</u>	<u>1,856,482</u>
NET ASSETS			
Net assets held in trust	<u>49,132,603</u>	<u>34,434,113</u>	<u>83,566,716</u>
Total Net Assets	<u>\$ 49,132,603</u>	<u>\$ 34,434,113</u>	<u>\$ 83,566,716</u>

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

F. Statements of Changes in Fiduciary Net Assets for the year ended September 30, 2011 are as follows:

	<u>Firefighters' Retirement Fund</u>	<u>Police Retirement Fund</u>	<u>Total</u>
ADDITIONS			
Contributions:			
City	\$ 3,598,321	\$ 3,033,164	\$ 6,631,485
Employee	1,200,667	310,460	1,511,127
Net investment income:			
Net (depreciation) in fair value of investments	(2,603,186)	(1,416,896)	(4,020,082)
Interest and dividends	2,989,353	2,054,904	5,044,257
	<u>5,185,155</u>	<u>3,981,632</u>	<u>9,166,787</u>
DEDUCTIONS			
Current:			
Policy development and administration:			
Travel	890	612	1,502
Intragovernmental	30,662	21,077	51,739
Utilities, services, and miscellaneous	28,290	19,445	47,735
Pension benefits	5,000,007	3,178,663	8,178,670
Refund of employee's contributions	75,775	53,666	129,441
	<u>5,135,624</u>	<u>3,273,463</u>	<u>8,409,087</u>
Change in net assets	49,531	708,169	757,700
NET ASSETS - BEGINNING	<u>49,083,072</u>	<u>33,725,944</u>	<u>82,809,016</u>
NET ASSETS - ENDING	<u>\$ 49,132,603</u>	<u>\$ 34,434,113</u>	<u>\$ 83,566,716</u>

G. 401(a) Retirement Plan

The City sponsors and administers, through a contract with Boone County National Bank, a 401(a) plan which is a defined contribution plan established to provide benefits at retirement to permanent employees of the City. At September 30, 2011, there were 1,236 plan members. The City will contribute to the plan on behalf of each participant an amount equal to 2.0% of the participant's salary contingent upon the participant making a matching contribution to a Section 457 deferred compensation plan. For the year ended September 30, 2011, the City contributed \$896,743 to the plan. Plan provisions and contribution requirements are established and may be amended by the City Council.

H. Post Employment Health Plan (PEHP)

Beginning with the fiscal year ended September 30, 2010, the City will no longer make contributions towards the employee post employment health plan. However, employees who terminate employment after 10 or more years of service may be eligible to convert unused sick leave hours (at the rate of \$2.00 for every hour of final accumulated sick leave) for deposit into the employee's PEHP account. For the year ended September 30, 2011, \$81,688 was contributed to the plan.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

I. Other Post Employment Benefits (OPEB)

Plan Description

The City of Columbia post employment Health Plan is a single employer defined benefit plan that is self funded. The Plan provides medical and prescription drug benefits to eligible retirees and their dependents. Eligible non-Medicare retirees receive health care coverage through a self-insured Point-of-Service plan offered through United Healthcare. Eligible Medicare retirees receive health care coverage through a fully-insured Medicare Supplement Plan F and a Part D Rx plan offered through United American.

As of October 1, 2010, the date of the latest actuarial valuation, plan membership consisted of the following:

Retirees receiving benefits	245
Active members	1,253
Total plan members	1,498

Funding Policy

The funding policy is based on the City contributing into a trust an amount that is approximately equal to the current fiscal year GASB 45 annual required contribution (ARC). Contributions for the medical and prescription drug benefit are required for both retiree and dependent coverage. It is assumed that the total contribution will increase with medical trends. The contribution requirement is included in the City's annual budget which is adopted by the City Council.

Annual OPEB Cost and Net OPEB Obligation

The City of Columbia's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes on the City's net OPEB obligation to the post employment health plan:

Annual Required Contribution	\$693,540
Interest on Net OPEB Obligation	(10,153)
Adjustment to Annual Required Contribution	10,153
Annual OPEB Cost (Expense)	693,540
Employer contributions into trust	(566,622)
Increase in Net OPEB Obligation (Asset)	126,918
Net OPEB Obligation (Asset)-October 1, 2010	(126,918)
Net OPEB Obligation (Asset)-September 30, 2011	\$0

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for fiscal year 2011 and the preceding two years is as follows:

<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
\$661,000	116.04%	(\$78,000)
\$605,693	108.00%	(\$126,918)
\$693,321	81.73%	\$0

Financial statements for the OPEB plan are presented within this document. There are no separately issued financial statements for the OPEB plan.

Funded Status and Funding Progress

As of October 1, 2010, the most recent valuation date, the plan was 26% funded. The actuarial accrued liability for benefits was \$(4,817,000) and the actuarial value of assets is \$1,236,000 resulting in an unfunded actuarial accrued liability (UAAL) of \$(3,581,000). Covered payroll (annual payroll of active employees covered by the plan) is \$55,586,129 and the ratio of the unfunded actuarial accrued liability to the covered payroll is 6.4%.

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The initial unfunded actuarial accrued liability is being amortized over ten years. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation follows:

Actuarial cost method	Projected unit credit
Amortization method	Level % of pay-open
Asset valuation method	market value
Actuarial assumptions:	
Investment rate of return	8% *
Projected salary increases	4%
Healthcare cost trend rate	10% initially 5% ultimate

* Based on the expected long term investment return of the employer's own investments used to pay plan benefits.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2011

Statement of Fiduciary Net Assets for OPEB as of September 30, 2011 is as follows:

	OPEB
ASSETS	
Cash and cash equivalents	\$ 104,585
Accrued interest	(23)
Investments	1,465,167
Total Assets	1,569,729
LIABILITIES	
Other liabilities	-
Total Liabilities	-
NET ASSETS	
Net assets held in trust	1,569,729
Total Net Assets	\$ 1,569,729

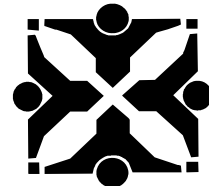
Statement of Changes in Fiduciary Net Assets for OPEB the year ended September 30, 2011 is as follows:

	OPEB
ADDITIONS	
Contributions:	
City	\$ 596,760
Net investment income:	
Interest and dividends	9,377
Total additions	606,137
DEDUCTIONS	
Current:	
Policy development and administration:	
Utilities, services, and miscellaneous	272,691
Total deductions	272,691
Change in net assets	333,446
NET ASSETS BEGINNING	1,236,283
NET ASSETS ENDING	\$ 1,569,729

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CITY OF COLUMBIA, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF COLUMBIA, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
General property taxes	6,990,200	6,990,200	6,876,040	(114,160)
Sales tax	18,685,000	18,685,000	19,891,980	1,206,980
Other local taxes	11,721,250	11,721,250	11,661,935	(59,315)
Licenses and permits	805,000	805,000	845,158	40,158
Fines	2,305,500	2,305,500	2,049,392	(256,108)
Fees and service charges	1,907,431	1,907,431	1,905,917	(1,514)
Intragovernmental revenue	16,842,602	16,842,602	4,139,602	(12,703,000)
Revenue from other governmental units	4,514,342	5,121,701	5,431,035	309,334
Investment revenue	875,000	875,000	661,033	(213,967)
Miscellaneous revenue	933,473	1,106,351	1,234,220	127,869
TOTAL REVENUES	65,579,798	66,360,035	54,696,312	(11,663,723)
EXPENDITURES:				
Current:				
Policy development and administration:				
City Council	211,866	230,494	137,946	92,548
City Clerk	217,577	227,538	197,657	29,881
City Manager	1,049,352	1,076,188	939,281	136,907
Election	129,026	197,090	143,135	53,955
Financial Services	3,409,672	3,431,994	3,366,218	65,776
Human Resources	1,033,598	1,198,598	1,085,181	113,417
City Counselor	600,918	605,182	564,887	40,295
Public Works Administration	2,220,270	3,332,129	2,740,089	592,040
Miscellaneous nonprogrammed activities	368,002	429,437	377,799	51,638
Total policy development and administration	<u>9,240,281</u>	<u>10,728,650</u>	<u>9,552,193</u>	<u>1,176,457</u>
Public safety:				
Police	19,841,309	20,135,560	19,503,449	632,111
City Prosecutor	686,603	687,209	623,514	63,695
Fire	14,567,093	14,742,521	14,130,739	611,782
Animal Control	516,310	516,310	504,429	11,881
Municipal Court	1,179,766	1,190,828	921,054	269,774
Emergency Management	257,335	381,627	290,100	91,527
Joint Communications	2,725,050	2,968,539	2,501,339	467,200
Miscellaneous nonprogrammed activities	340,978	397,902	350,000	47,902
Total public safety	<u>40,114,444</u>	<u>41,020,496</u>	<u>38,824,624</u>	<u>2,195,872</u>
Transportation:				
Streets and Sidewalks	5,572,754	7,035,222	6,477,737	557,485
Street Lighting	1,375,000	1,375,000	1,339,925	35,075
Traffic	1,086,931	1,296,475	1,201,243	95,232
Miscellaneous nonprogrammed activities	-	-	-	-
Total transportation	<u>8,034,685</u>	<u>9,706,697</u>	<u>9,018,905</u>	<u>687,792</u>
Health and environment:				
Health Services	5,428,753	5,883,879	5,257,116	626,763
Planning	927,529	1,181,793	906,340	275,453
Department of Economic Development	411,075	435,234	435,207	27
Protective Inspection	1,409,052	1,438,936	1,356,136	82,800
Neighborhood Services	880,421	880,753	765,976	114,777
Miscellaneous nonprogrammed activities	51,663	60,288	52,784	7,504
Total health and environment	<u>9,108,493</u>	<u>9,880,883</u>	<u>8,773,559</u>	<u>1,107,324</u>
Personal development:				
Parks and Recreation	4,980,919	5,118,789	4,900,109	218,680
Cultural Affairs	378,251	383,511	331,889	51,622
Office of Community Services	339,910	439,312	346,328	92,984
Social Assistance	968,556	1,097,525	693,781	403,744
Miscellaneous nonprogrammed activities	34,177	39,883	35,360	4,523
Total personal development	<u>6,701,813</u>	<u>7,079,020</u>	<u>6,307,467</u>	<u>771,553</u>
TOTAL EXPENDITURES	73,199,716	78,415,746	72,476,748	5,938,998
DEFICIENCY OF REVENUES OVER EXPENDITURES	(7,619,918)	(12,055,711)	(17,780,436)	(5,724,725)
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	7,646,921	8,013,579	22,104,954	14,091,375
Transfers to other funds	(2,915,059)	(3,011,157)	(3,011,157)	-
Appropriation of prior year fund balance	2,888,056	2,888,056	2,888,056	-
TOTAL OTHER FINANCING SOURCES (USES)	7,619,918	7,890,478	21,981,853	14,091,375
NET CHANGE IN FUND BALANCE	-	(4,165,233)	4,201,417	8,366,650
Effect of appropriation of prior year fund balance	(2,888,056)	(2,888,056)	(2,888,056)	-
FUND BALANCE, BEGINNING OF PERIOD	26,604,918	26,604,918	26,604,918	-
FUND BALANCE, END OF PERIOD	23,716,862	19,551,629	27,918,279	8,366,650

See Note to the Required Supplementary Information.

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CITY OF COLUMBIA, MISSOURI
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule
For The Year Ended September 30, 2011

Budgetary Information

An annual budget prepared under the modified accrual basis of accounting is adopted in September prior to the beginning of each fiscal year for all revenues and expenditures of the General Fund of the City. Accordingly, the budget schedule presents actual expenditures in accordance with accounting principles generally accepted in the United States of America. The primary basis of budgetary control is at the department level. Departments may not legally exceed their total appropriation without City Council approval. A review of the current year's budget is made by the departments in September of each year and interdepartmental transfers are made with City Council approval. Any remaining unencumbered appropriations lapse at fiscal year end. Any increase in appropriations during the fiscal year must be approved by the City Council. During the current budget year, supplemental budget appropriations were necessary to approve funding for new grant programs, as well as other approved City programs. These appropriations increased the General Fund budget by \$5,216,030 and this increase is reflected in the final budgeted amounts in the accompanying required supplemental information.

Project budgets prepared under the modified accrual basis of accounting are adopted for the Capital Projects Fund. All projects remain appropriated until completed or until the City Council decides to eliminate the project. The Debt Service Funds are controlled by related bond ordinances. Special Revenue Funds with legally adopted annual budgets are: Special Road District Tax Fund, Convention and Tourism Fund, Public Improvement Fund, Capital Improvement Sales Tax Fund, Park Sales Tax Fund, Contributions Fund, Office of Sustainability, Stadium TDD's and the Transportation Sales Tax Fund.

CITY OF COLUMBIA, MISSOURI
Required Supplementary Information - Unaudited
Schedule of Funding Progress

LAGERS

Actuarial valuation date	(a) Actuarial value of assets	(b) Entry age actuarial accrued liability	(b-a) Unfunded accrued liability (UAL)	(a/b) Funded ratio	[c] Annual covered payroll	[(b-a)/c] UAL as a percentage of covered payroll
2/27/2009	\$ 79,437,495	112,714,076	33,276,581	70%	39,834,120	84%
2/28/2010	83,456,094	116,078,778	32,622,684	72%	41,225,382	79%
2/28/2011	88,083,222	122,049,477	33,966,255	72%	41,883,728	81%

Note: The assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2010 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

OPEB

Actuarial valuation date	Actuarial value of assets	Projected-unit credit actuarial accrued liability	Unfunded accrued liability (UAL)	Funded ratio	Annual covered payroll	UAL as a percentage of covered payroll
9/29/2008	\$ 358,000	4,686,000	4,328,000	8%	54,280,288	8.0%
9/30/2009	864,000	4,633,000	3,769,000	19%	55,172,868	6.8%
10/1/2010	1,236,000	4,817,000	3,581,000	26%	55,586,129	6.4%

Note: The City implemented GASB Statement No. 45 for the year-ended September 30, 2008.

Police Retirement Plan

Actuarial valuation date	Actuarial value of assets	Entry age actuarial accrued liability	Unfunded accrued liability (UAL)	Funded ratio	Annual covered payroll	UAL as a percentage of covered payroll
9/30/2005	\$ 28,309,356	44,232,822	15,923,466	64%	6,815,291	234%
9/30/2006	30,689,136	47,163,350	16,474,214	65%	7,435,393	222%
9/30/2007	33,792,282	50,267,213	16,474,931	67%	7,912,481	208%
9/30/2008	35,143,685	53,963,403	18,819,718	65%	8,198,959	230%
9/30/2009	35,759,187	57,118,412	21,359,225	63%	8,285,768	258%
9/30/2010	36,987,824	66,426,426	29,438,602	56%	8,549,787	344%

Firefighters' Retirement Plan

Actuarial valuation date	Actuarial value of assets	Entry age actuarial accrued liability	Unfunded accrued liability (UAL)	Funded ratio	Annual covered payroll	UAL as a percentage of covered payroll
9/30/2005	\$ 42,552,612	66,776,699	24,224,087	64%	6,064,685	399%
9/30/2006	45,651,998	71,509,818	25,857,820	64%	6,358,006	407%
9/30/2007	49,976,390	75,827,181	25,850,791	66%	6,719,424	385%
9/30/2008	51,502,482	80,817,591	29,315,109	64%	6,996,192	419%
9/30/2009	52,295,939	85,635,565	33,339,626	61%	7,216,527	462%
9/30/2010	54,288,533	97,740,285	43,451,752	56%	7,251,272	599%

CITY OF COLUMBIA, MISSOURI
Required Supplementary Information - Unaudited
Schedule of Funding Progress

Note: The significant assumptions for the OPEB, Lagers Police Retirement and Firefighters' plan are as follows:

	Police Plan	Fire Plan	LAGERS	OPEB
Actuarial cost method	entry age normal	entry age normal	entry age normal	projected unit credit
Amortization method	level % of pay-closed	level % of pay-closed	level % of pay-open	level % of pay-open
Remaining amortization period	29 years	29 years	30 years	10 years
Asset valuation method	smooth 4 year market	smooth 4 year market	smooth 5 year market	market value
Actuarial assumptions:				
Investment rate of return	7.5%	7.5%	7.25%	8%
Projected salary increases *	0% -13%	0% -13%	0% - 6.0%	4%
* Includes inflation at	3.5%	3.5%	3.5%	4%
Benefit increases	2% annually until attained age of 62; 2% thereafter	2% annually	6% maximum annually based on consumer price index	-
Healthcare cost trend rate	-	-	-	10% initially and 5% ultimate

Schedule of Employer Contributions

Police Retirement Plan

Year ended September 30	Annual required contributions	Percent contributed	Net pension obligation
2006	\$ 2,232,864	100%	-
2007	2,401,908	100%	-
2008	2,520,373	100%	-
2009	2,549,967	100%	-
2010	2,693,152	100%	-
2011	3,033,164	100%	-

Firefighters' Retirement Plan

Year ended September 30	Annual required contributions	Percent contributed	Net pension obligation
2006	\$ 2,213,653	100%	-
2007	2,759,165	100%	-
2008	2,853,109	100%	-
2009	3,098,617	100%	-
2010	3,330,409	100%	-
2011	3,598,321	100%	-

OPEB

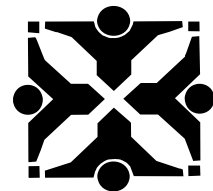
Year ended September 30	Annual required contributions	Percent contributed	Net OPEB obligation (asset)
2009	\$ 662,000	115.86%	(78,000)
2010	602,000	108.00%	(126,918)
2011	693,540	81.73%	(219)

The City implemented GASB Statement No. 45 for the year ended September 30, 2008. Therefore, information for prior years is not available.

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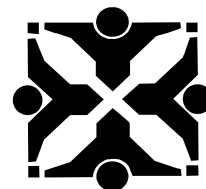
CITY OF COLUMBIA, MISSOURI

SUPPLEMENTARY INFORMATION



CITY OF COLUMBIA, MISSOURI

**COMBINING FUND
FINANCIAL STATEMENTS
AND SCHEDULE**



NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Special Road District Tax Fund - to account for the road and bridge tax revenues. These revenues are used to improve, maintain, construct and repair certain streets and roads within the City limits. These resources have been transferred to the City's capital project fund in fiscal year 2011.

Columbia Special Business District Fund - to account for the proceeds of property taxes levied on all property within the district for the purpose of providing promotion of the district as a shopping and entertainment area for the general public.

Convention and Tourism Fund - to account for the four percent tax levied on the gross daily rental receipts due from or paid by transient guests at hotels or motels. The revenues are used by the City for the purpose of promoting convention and tourism in the City.

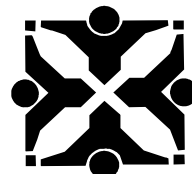
Community Development Grant Fund - to account for all federal monies received by the City and disbursed on Community Development Grant projects.

Public Improvement Fund - to account for and disburse monies the City receives from the City sales tax and voter-approved development fees. This fund receives a portion of the City sales tax which is allocated for a wide range of public improvements to the City including streets, sidewalks and parks. Development fees are used solely for construction of collector and arterial streets.

Capital Improvement Sales Tax Fund - to account for the 1/4 cent sales tax approved by voters in November 2005, to be collected until December 31, 2015 for funding of capital improvement projects.

Stadium TDD's Fund - to account for receipts from the Stadium TDD's: Shoppes at Stadium, Columbia Mall and Stadium Corridor.

Park Sales Tax Fund - to account for the voter-approved, City-enacted 1/4 percent sales tax and expenditures for funding of local parks.



NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (continued)

Contributions Fund - to account for all gifts, bequests, or other funds derived from property which may have been purchased or held in trust by or for the City of Columbia, Missouri.

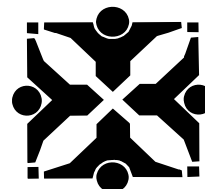
Sustainability Fund - to account for Federal Energy Efficiency and Conservation Block Grant monies.

Transportation Sales Tax Fund - to account for the voter approved, City-enacted sales tax and expenditures for transportation purposes which include financial support of the public mass transportation system, construction and maintenance of streets, roads, bridges, and airports to the extent of tax revenues.

Permanent Fund

The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Designated Loan & Special Tax Bill Investment Fund - to account for the purchase of all special assessment tax bills. The fund also makes loans and advances to other funds.



NON-MAJOR GOVERNMENTAL FUNDS

Debt Service Funds

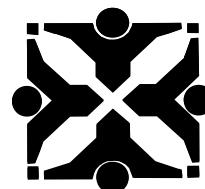
The Debt Service Funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

2006B Special Obligation Bonds - to accumulate monies for payment of Series 2006B \$25,615,000 5% Special Obligation Bonds with semi-annual installments of principal plus interest until maturity in 2016. Financing is to be provided by the Capital Improvement Sales Tax.

2007A Special Obligation Notes - to accumulate monies for payment of Series 2007A \$3,740,000 4.23% Special Obligation Notes with semi-annual installments of principal plus interest until maturity in 2011. Financing is to be provided by the Parks Sales Tax.

2008B Special Obligation Bonds - to accumulate monies for payment of Series 2008B \$26,795,000 4.3% Special Obligation Bonds with semi-annual installments of principal plus interest until maturity in 2028. Financing is to be provided by property tax and lease payments from enterprise funds.

Lemone Trust Note - to accumulate monies for payment of the loan for the purchase of 2810 Lemone Industrial Blvd. (the IBM building.) The City assumed the obligation to pay this loan on December 31, 2010.



**CITY OF COLUMBIA, MISSOURI
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011**

ASSETS	Special Revenue Funds	Debt Service Funds	Permanent Fund	Total Nonmajor Governmental Funds
Cash and cash equivalents	\$ 5,164,831	\$ 1,968,556	\$ 5,743,955	\$ 12,877,342
Accounts receivable	847	-	-	847
Taxes receivable	3,456,371	-	706,095	4,162,466
Grants receivable	453,189	-	-	453,189
Rehabilitation loans receivable, net	6,464,772	-	-	6,464,772
Prepaid expenses	2,053	-	-	2,053
Accrued interest	12,419	12,071	168,795	193,285
Advances to other funds	-	-	1,787,598	1,787,598
Other assets	295,023	-	-	295,023
Restricted assets:				
Cash and cash equivalents	1,771,769	7,197,343	-	8,969,112
TOTAL ASSETS	\$ 17,621,274	\$ 9,177,970	\$ 8,406,443	\$ 35,205,687
LIABILITIES AND FUND BALANCE				
LIABILITIES:				
Accounts payable	\$ 165,385	\$ -	\$ -	\$ 165,385
Accrued payroll and payroll taxes	49,294	-	-	49,294
Deferred revenue	61,226	-	-	61,226
Other liabilities	13,847	-	364	14,211
TOTAL LIABILITIES	289,752	-	364	290,116
FUND BALANCE:				
Non Spendable	2,053	-	1,500,000	1,502,053
Restricted	16,506,020	7,271,688	-	23,777,708
Committed	587,699	1,893,083	6,906,079	9,386,861
Assigned	235,750	13,199	-	248,949
TOTAL FUND BALANCE	17,331,522	9,177,970	8,406,079	34,915,571
TOTAL LIABILITIES AND FUND BALANCE	\$ 17,621,274	\$ 9,177,970	\$ 8,406,443	\$ 35,205,687

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**CITY OF COLUMBIA, MISSOURI
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2011**

ASSETS	Columbia Special Business District Fund	Convention and Tourism Fund	Community Development Grant Fund
Cash and cash equivalents	\$ 24,493	\$ 951,525	\$ 211,767
Accounts receivable	-	-	-
Taxes receivable, net	1,371	184,697	-
Grants receivable	-	-	367,340
Rehabilitation loans receivable, net	-	-	6,464,772
Prepaid expenses	-	2,053	-
Accrued interest	46	3,122	-
Other assets	-	-	295,023
Restricted assets:			
Cash and cash equivalents	-	781,553	-
TOTAL ASSETS	<u>\$ 25,910</u>	<u>\$ 1,922,950</u>	<u>\$ 7,338,902</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ -	\$ 25,963	\$ 63,599
Accrued payroll and payroll taxes	-	19,903	25,880
Deferred revenue	1,350	-	33,866
Other liabilities	-	13,000	847
TOTAL LIABILITIES	<u>1,350</u>	<u>58,866</u>	<u>124,192</u>
FUND BALANCE:			
Non Spendable	-	2,053	-
Restricted	24,560	1,862,031	7,214,710
Committed	-	-	-
Assigned	-	-	-
TOTAL FUND BALANCE	<u>24,560</u>	<u>1,864,084</u>	<u>7,214,710</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 25,910</u>	<u>\$ 1,922,950</u>	<u>\$ 7,338,902</u>

**CITY OF COLUMBIA, MISSOURI
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2011**

ASSETS	Public Improvement Fund	Capital Improvement Sales Tax Fund	Stadium TDD's Fund	Park Sales Tax Fund
Cash and cash equivalents	\$ 456,891	\$ 1,612,806	\$ 749,881	\$ 76,931
Accounts receivable	-	-	-	-
Taxes receivable, net	128,124	756,410	116,538	756,410
Grants receivable	-	-	-	-
Rehabilitation loans receivable, net	-	-	-	-
Prepaid expenses	-	-	-	-
Accrued interest	2,684	2,928	1,313	123
Other assets	-	-	-	-
Restricted assets:				
Cash and cash equivalents	990,216	-	-	-
TOTAL ASSETS	<u>\$ 1,577,915</u>	<u>\$ 2,372,144</u>	<u>\$ 867,732</u>	<u>\$ 833,464</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll and payroll taxes	-	-	-	-
Deferred revenue	-	-	-	-
Other liabilities	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE:				
Non Spendable	-	-	-	-
Restricted	990,216	2,372,144	867,732	833,464
Committed	587,699	-	-	-
Assigned	-	-	-	-
TOTAL FUND BALANCE	<u>1,577,915</u>	<u>2,372,144</u>	<u>867,732</u>	<u>833,464</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,577,915</u>	<u>\$ 2,372,144</u>	<u>\$ 867,732</u>	<u>\$ 833,464</u>

**CITY OF COLUMBIA, MISSOURI
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2011**

<u>Contributions Fund</u>	<u>Office of Sustainability Fund</u>	<u>Transportation Sales Tax Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 614,007	\$ 109,077	\$ 357,453	\$ 5,164,831
847	-	-	847
-	-	1,512,821	3,456,371
-	85,849	-	453,189
-	-	-	6,464,772
-	-	-	2,053
1,076	206	921	12,419
-	-	-	295,023
-	-	-	1,771,769
<u>\$ 615,930</u>	<u>\$ 195,132</u>	<u>\$ 1,871,195</u>	<u>\$ 17,621,274</u>
\$ 739	\$ 75,084	\$ -	165,385
-	3,511	-	49,294
-	26,010	-	61,226
-	-	-	13,847
<u>739</u>	<u>104,605</u>	<u>-</u>	<u>289,752</u>
-	-	-	2,053
379,441	90,527	1,871,195	16,506,020
-	-	-	587,699
<u>235,750</u>	<u>-</u>	<u>-</u>	<u>235,750</u>
<u>615,191</u>	<u>90,527</u>	<u>1,871,195</u>	<u>17,331,522</u>
<u>\$ 615,930</u>	<u>\$ 195,132</u>	<u>\$ 1,871,195</u>	<u>\$ 17,621,274</u>

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**CITY OF COLUMBIA, MISSOURI
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
SEPTEMBER 30, 2011**

ASSETS	2006B Special Obligation Bonds <u>Debt Service Fund</u>	2008B Special Obligation Bonds <u>Debt Service Fund</u>	Lemone Trust Note <u>Debt Service Fund</u>	Total Nonmajor Debt Service Funds
Cash and cash equivalents	\$ 1,030,298	\$ 731,369	\$ 206,889	\$ 1,968,556
Accrued interest	6,430	5,375	266	12,071
Restricted assets:				
Cash and cash equivalents	<u>2,561,500</u>	<u>2,194,500</u>	<u>2,441,343</u>	<u>7,197,343</u>
TOTAL ASSETS	<u>\$ 3,598,228</u>	<u>\$ 2,931,244</u>	<u>\$ 2,648,498</u>	<u>\$ 9,177,970</u>
FUND BALANCE:				
Non Spendable	-	-	-	-
Restricted	2,561,500	2,194,500	2,515,688	7,271,688
Committed	1,024,360	735,913	132,810	1,893,083
Assigned	<u>12,368</u>	<u>831</u>	<u>-</u>	<u>13,199</u>
TOTAL FUND BALANCE	<u>3,598,228</u>	<u>2,931,244</u>	<u>2,648,498</u>	<u>9,177,970</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,598,228</u>	<u>\$ 2,931,244</u>	<u>\$ 2,648,498</u>	<u>\$ 9,177,970</u>

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CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Special Revenue Funds	Debt Service Funds	Permanent Fund	Total Nonmajor Governmental Funds
REVENUES:				
General property taxes	\$ 150,804	\$ -	\$ -	\$ 150,804
Sales tax	20,646,542	-	-	20,646,542
Other local taxes	1,952,631	-	-	1,952,631
Licenses and permits	19,561	-	-	19,561
Fees and service charges	1,010,246	-	-	1,010,246
Revenue from other governmental units	3,074,426	-	-	3,074,426
Lease revenue	-	1,267,667	-	1,267,667
Investment revenue	177,311	198,271	210,964	586,546
Miscellaneous	253,128	-	-	253,128
TOTAL REVENUES	27,284,649	1,465,938	210,964	28,961,551
EXPENDITURES:				
Current:				
Policy development and administration	2,106,888	-	15,752	2,122,640
Health and environment	1,459,323	354,993	-	1,814,316
Personal development	11,293	-	-	11,293
Debt Service:				
Redemption of serial bonds	-	5,089,434	-	5,089,434
Interest	-	2,427,400	-	2,427,400
Fiscal agent fees	-	661	-	661
TOTAL EXPENDITURES	3,577,504	7,872,488	15,752	11,465,744
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	23,707,145	(6,406,550)	195,212	17,495,807
OTHER FINANCING SOURCES (USES):				
Transfers in	158,907	6,666,155	-	6,825,062
Transfers out	(25,884,746)	(11,779,723)	-	(37,664,469)
Issuance of Lemone Trust Note	-	11,779,723	-	11,779,723
TOTAL OTHER FINANCING SOURCES (USES)	(25,725,839)	6,666,155	-	(19,059,684)
NET CHANGE IN FUND BALANCE	(2,018,694)	259,605	195,212	(1,563,877)
FUND BALANCE, BEGINNING OF PERIOD, AS RESTATED	19,350,216	8,918,365	8,210,867	36,479,448
FUND BALANCE, END OF PERIOD	\$ 17,331,522	\$ 9,177,970	\$ 8,406,079	\$ 34,915,571

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CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Special Road District Tax Fund	Columbia Special Business District Fund	Convention and Tourism Fund	Community Development Grant Fund
REVENUES:				
General property taxes	\$ -	\$ 150,804	\$ -	\$ -
Sales tax	-	-	-	-
Other local taxes	-	-	1,952,631	-
Licenses and permits	-	19,561	-	-
Fees and service charges	-	-	-	-
Revenue from other governmental units	-	-	50,462	1,640,043
Investment revenue	13,471	1,295	39,444	14,787
Miscellaneous	-	-	16,253	700
TOTAL REVENUES	13,471	171,660	2,058,790	1,655,530
EXPENDITURES:				
Current:				
Policy development and administration	-	184,510	1,599,768	-
Health and environment	-	-	-	1,459,323
Personal development	-	-	-	-
TOTAL EXPENDITURES	-	184,510	1,599,768	1,459,323
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	13,471	(12,850)	459,022	196,207
OTHER FINANCING SOURCES (USES):				
Transfers in	-	17,500	-	-
Transfers out	(2,132,599)	(7,500)	(12,000)	(445,787)
TOTAL OTHER FINANCING SOURCES (USES)	(2,132,599)	10,000	(12,000)	(445,787)
NET CHANGE IN FUND BALANCE	(2,119,128)	(2,850)	447,022	(249,580)
FUND BALANCE, BEGINNING OF PERIOD, AS RESTATED	2,119,128	27,410	1,417,062	7,464,290
FUND BALANCE, END OF PERIOD	\$ -	\$ 24,560	\$ 1,864,084	\$ 7,214,710

CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Public Improvement Fund	Capital Improvement Sales Tax Fund	Stadium TDD's Fund
REVENUES:			
General property taxes	\$ -	\$ -	\$ -
Sales tax	850,439	4,949,012	-
Other local taxes	-	-	-
Licenses and permits	-	-	-
Fees and service charges	1,010,246	-	-
Revenue from other governmental units	-	-	1,137,603
Investment revenue	26,933	34,450	11,822
Miscellaneous	-	-	-
TOTAL REVENUES	1,887,618	4,983,462	1,149,425
EXPENDITURES:			
Current:			
Policy development and administration	39,122	-	-
Health and environment	-	-	-
Personal development	-	-	-
TOTAL EXPENDITURES	39,122	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,848,496	4,983,462	1,149,425
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	(2,012,542)	(6,000,250)	(566,536)
TOTAL OTHER FINANCING SOURCES (USES)	(2,012,542)	(6,000,250)	(566,536)
NET CHANGE IN FUND BALANCE	(164,046)	(1,016,788)	582,889
FUND BALANCE, BEGINNING OF PERIOD, AS RESTATED	1,741,961	3,388,932	284,843
FUND BALANCE, END OF PERIOD	\$ 1,577,915	\$ 2,372,144	\$ 867,732

CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

<u>Park Sales Tax Fund</u>	<u>Contributions Fund</u>	<u>Office of Sustainability Fund</u>	<u>Transportation Sales Tax Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 150,804
4,949,003	-	-	9,898,088	20,646,542
-	-	-	-	1,952,631
-	-	-	-	19,561
-	-	-	-	1,010,246
-	-	246,318	-	3,074,426
9,140	18,325	1,502	6,142	177,311
-	236,175	-	-	253,128
<u>4,958,143</u>	<u>254,500</u>	<u>247,820</u>	<u>9,904,230</u>	<u>27,284,649</u>
-	-	283,488	-	2,106,888
-	-	-	-	1,459,323
805	10,488	-	-	11,293
<u>805</u>	<u>10,488</u>	<u>283,488</u>	<u>-</u>	<u>3,577,504</u>
<u>4,957,338</u>	<u>244,012</u>	<u>(35,668)</u>	<u>9,904,230</u>	<u>23,707,145</u>
-	-	100,000	41,407	158,907
(4,525,768)	(497,389)	-	(9,684,375)	(25,884,746)
<u>(4,525,768)</u>	<u>(497,389)</u>	<u>100,000</u>	<u>(9,642,968)</u>	<u>(25,725,839)</u>
431,570	(253,377)	64,332	261,262	(2,018,694)
401,894	868,568	26,195	1,609,933	19,350,216
<u>\$ 833,464</u>	<u>\$ 615,191</u>	<u>\$ 90,527</u>	<u>\$ 1,871,195</u>	<u>\$ 17,331,522</u>

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CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	2006B Special Obligation Bonds Debt Service Fund	2007A Special Obligation Notes Payable Debt Service Fund	2008B Special Obligation Bonds Debt Service Fund	Lemone Trust Note Debt Service Fund	Total Nonmajor Debt Service Funds
REVENUES:					
Lease revenue	\$ -	\$ -	\$ -	1,267,667	1,267,667
Investment revenue	103,806	1,655	76,652	16,158	198,271
TOTAL REVENUES	<u>103,806</u>	<u>1,655</u>	<u>76,652</u>	<u>1,283,825</u>	<u>1,465,938</u>
EXPENDITURES:					
Health and Environment	-	-	-	354,993	354,993
Debt Service:					
Redemption of serial bonds	2,475,000	995,000	1,015,000	604,434	5,089,434
Interest	770,375	21,044	1,102,519	533,462	2,427,400
Fiscal agent fees	400	-	261	-	661
TOTAL EXPENDITURES	<u>3,245,775</u>	<u>1,016,044</u>	<u>2,117,780</u>	<u>1,492,889</u>	<u>7,872,488</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,141,969)</u>	<u>(1,014,389)</u>	<u>(2,041,128)</u>	<u>(209,064)</u>	<u>(6,406,550)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	3,245,375	971,213	2,150,000	299,567	6,666,155
Transfers out	-	-	-	(11,779,723)	(11,779,723)
Issuance of Lemone Trust Note	-	-	-	11,779,723	11,779,723
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,245,375</u>	<u>971,213</u>	<u>2,150,000</u>	<u>299,567</u>	<u>6,666,155</u>
NET CHANGE IN FUND BALANCE	103,406	(43,176)	108,872	90,503	259,605
FUND BALANCE, BEGINNING OF PERIOD	<u>3,494,822</u>	<u>43,176</u>	<u>2,822,372</u>	<u>2,557,995</u>	<u>8,918,365</u>
FUND BALANCE, END OF PERIOD	<u>\$ 3,598,228</u>	<u>\$ -</u>	<u>\$ 2,931,244</u>	<u>\$ 2,648,498</u>	<u>\$ 9,177,970</u>

**CITY OF COLUMBIA, MISSOURI
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Special Road District Tax Fund		
	Budgeted Amounts	Actual Amounts	Variance
REVENUES:			
General property taxes	\$ -	\$ -	\$ -
Sales tax	-	-	-
Other local taxes	-	-	-
Fees and service charges	-	-	-
Revenue from other governmental units	1,400,000	-	(1,400,000)
Lease revenue	-	-	-
Investment revenue	18,476	13,471	(5,005)
Miscellaneous revenue	-	-	-
TOTAL REVENUES	<u>1,418,476</u>	<u>13,471</u>	<u>(1,405,005)</u>
EXPENDITURES:			
Current:			
Policy development and administration	-	-	-
Health and environment	-	-	-
Personal development	-	-	-
Miscellaneous nonprogrammed activities:			
Other	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>1,418,476</u>	<u>13,471</u>	<u>(1,405,005)</u>
OTHER FINANCING SOURCES (USES):			
Transfers from other funds	-	-	-
Transfers to other funds	(2,132,600)	(2,132,599)	1
Miscellaneous	-	-	-
Lemone Trust note proceeds	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,132,600)</u>	<u>(2,132,599)</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	(714,124)	(2,119,128)	(1,405,004)
FUND BALANCE, BEGINNING OF PERIOD	<u>1,960,201</u>	<u>2,119,128</u>	<u>158,927</u>
FUND BALANCE, END OF PERIOD	<u>\$ 1,246,077</u>	<u>\$ -</u>	<u>\$ (1,246,077)</u>

**CITY OF COLUMBIA, MISSOURI
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Transportation Sales Tax Fund			Convention and Tourism Fund		
Budgeted Amounts	Actual Amounts	Variance	Budgeted Amounts	Actual Amounts	Variance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9,322,000	9,898,088	576,088	-	-	-
-	-	-	1,620,000	1,952,631	332,631
-	-	-	-	-	-
-	-	-	52,361	50,462	(1,899)
-	-	-	-	-	-
12,214	6,142	(6,072)	36,426	39,444	3,018
-	-	-	10,000	16,253	6,253
<u>9,334,214</u>	<u>9,904,230</u>	<u>570,016</u>	<u>1,718,787</u>	<u>2,058,790</u>	<u>340,003</u>
-	-	-	1,923,267	1,599,768	323,499
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	1,923,267	1,599,768	323,499
<u>9,334,214</u>	<u>9,904,230</u>	<u>570,016</u>	<u>(204,480)</u>	<u>459,022</u>	<u>663,502</u>
41,407	41,407	-	-	-	-
(9,684,375)	(9,684,375)	-	(12,000)	(12,000)	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(9,642,968)</u>	<u>(9,642,968)</u>	<u>-</u>	<u>(12,000)</u>	<u>(12,000)</u>	<u>-</u>
(308,754)	261,262	570,016	(216,480)	447,022	663,502
<u>1,491,152</u>	<u>1,609,933</u>	<u>118,781</u>	<u>1,040,839</u>	<u>1,417,062</u>	<u>376,223</u>
<u>\$ 1,182,398</u>	<u>\$ 1,871,195</u>	<u>\$ 688,797</u>	<u>\$ 824,359</u>	<u>\$ 1,864,084</u>	<u>\$ 1,039,725</u>

**CITY OF COLUMBIA, MISSOURI
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Public Improvement Fund		
	Budgeted Amounts	Actual Amounts	Variance
REVENUES:			
General property taxes	\$ -	\$ -	\$ -
Sales tax	797,900	850,439	52,539
Other local taxes	-	-	-
Fees and service charges	720,000	1,010,246	290,246
Revenue from other governmental units	-	-	-
Lease revenue	-	-	-
Investment revenue	41,428	26,933	(14,495)
Miscellaneous revenue	-	-	-
TOTAL REVENUES	1,559,328	1,887,618	328,290
EXPENDITURES:			
Current:			
Policy development and administration	39,122	39,122	-
Health and environment	-	-	-
Personal development	-	-	-
Miscellaneous nonprogrammed activities:			
Other	-	-	-
TOTAL EXPENDITURES	39,122	39,122	-
DEFICIENCY OF REVENUES OVER EXPENDITURES	1,520,206	1,848,496	328,290
OTHER FINANCING SOURCES (USES):			
Transfers from other funds	-	-	-
Transfers to other funds	(2,012,542)	(2,012,542)	-
Miscellaneous	-	-	-
Lemone Trust note proceeds	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(2,012,542)	(2,012,542)	-
NET CHANGE IN FUND BALANCE	(492,336)	(164,046)	328,290
FUND BALANCE, BEGINNING OF PERIOD	1,773,657	1,741,961	(31,696)
FUND BALANCE, END OF PERIOD	<u>\$ 1,281,321</u>	<u>\$ 1,577,915</u>	<u>\$ 296,594</u>

**CITY OF COLUMBIA, MISSOURI
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Capital Improvement Sales Tax Fund			Park Sales Tax Fund		
Budgeted Amounts	Actual Amounts	Variance	Budgeted Amounts	Actual Amounts	Variance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,661,000	4,949,012	288,012	4,926,000	4,949,003	23,003
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
114,602	34,450	(80,152)	-	9,140	9,140
-	-	-	-	-	-
<u>4,775,602</u>	<u>4,983,462</u>	<u>207,860</u>	<u>4,926,000</u>	<u>4,958,143</u>	<u>32,143</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	805	805	-
-	-	-	-	-	-
-	-	-	<u>805</u>	<u>805</u>	<u>-</u>
<u>4,775,602</u>	<u>4,983,462</u>	<u>207,860</u>	<u>4,925,195</u>	<u>4,957,338</u>	<u>32,143</u>
-	-	-	-	-	-
(6,000,250)	(6,000,250)	-	(4,570,599)	(4,525,768)	44,831
-	-	-	-	-	-
-	-	-	-	-	-
<u>(6,000,250)</u>	<u>(6,000,250)</u>	<u>-</u>	<u>(4,570,599)</u>	<u>(4,525,768)</u>	<u>44,831</u>
(1,224,648)	(1,016,788)	207,860	354,596	431,570	76,974
<u>3,636,530</u>	<u>3,388,932</u>	<u>(247,598)</u>	<u>350,234</u>	<u>401,894</u>	<u>51,660</u>
<u>\$ 2,411,882</u>	<u>\$ 2,372,144</u>	<u>\$ (39,738)</u>	<u>\$ 704,830</u>	<u>\$ 833,464</u>	<u>\$ 128,634</u>

**CITY OF COLUMBIA, MISSOURI
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Contributions Fund		
	Budgeted Amounts	Actual Amounts	Variance
REVENUES:			
General property taxes	\$ -	\$ -	\$ -
Sales tax	-	-	-
Other local taxes	-	-	-
Fees and service charges	-	-	-
Revenue from other governmental units	-	-	-
Lease revenue	-	-	-
Investment revenue	32,090	18,325	(13,765)
Miscellaneous revenue	422,390	236,175	(186,215)
TOTAL REVENUES	<u>454,480</u>	<u>254,500</u>	<u>(199,980)</u>
EXPENDITURES:			
Current:			
Policy development and administration	-	-	-
Health and environment	-	-	-
Personal development	17,131	10,488	6,643
Miscellaneous nonprogrammed activities:			
Other	-	-	-
TOTAL EXPENDITURES	<u>17,131</u>	<u>10,488</u>	<u>6,643</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>437,349</u>	<u>244,012</u>	<u>(193,337)</u>
OTHER FINANCING SOURCES (USES):			
Transfers from other funds	-	-	-
Transfers to other funds	(497,390)	(497,389)	1
Miscellaneous	-	-	-
Lemone Trust note proceeds	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(497,390)</u>	<u>(497,389)</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	(60,041)	(253,377)	(193,336)
FUND BALANCE, BEGINNING OF PERIOD	<u>835,303</u>	<u>868,568</u>	<u>33,265</u>
FUND BALANCE, END OF PERIOD	<u>\$ 775,262</u>	<u>\$ 615,191</u>	<u>\$ (160,071)</u>

**CITY OF COLUMBIA, MISSOURI
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Office of Sustainability Fund			Debt Service Funds (Combined)		
Budgeted Amounts	Actual Amounts	Variance	Budgeted Amounts	Actual Amounts	Variance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
694,300	246,318	(447,982)	-	-	-
-	-	-	-	1,267,667	1,267,667
2,010	1,502	(508)	244,656	198,271	(46,385)
-	-	-	-	-	-
<u>696,310</u>	<u>247,820</u>	<u>(448,490)</u>	<u>244,656</u>	<u>1,465,938</u>	<u>1,221,282</u>
834,334	283,488	550,846	-	-	-
-	-	-	-	354,993	(354,993)
-	-	-	-	-	-
-	-	-	<u>6,678,505</u>	<u>7,517,495</u>	<u>(838,990)</u>
<u>834,334</u>	<u>283,488</u>	<u>550,846</u>	<u>6,678,505</u>	<u>7,872,488</u>	<u>(1,193,983)</u>
<u>(138,024)</u>	<u>(35,668)</u>	<u>102,356</u>	<u>(6,433,849)</u>	<u>(6,406,550)</u>	<u>27,299</u>
100,000	100,000	-	6,710,987	6,666,155	(44,832)
-	-	-	(2,550,000)	(11,779,723)	(9,229,723)
-	-	-	-	-	-
-	-	-	<u>2,550,000</u>	<u>11,779,723</u>	<u>9,229,723</u>
<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>6,710,987</u>	<u>6,666,155</u>	<u>(44,832)</u>
(38,024)	64,332	102,356	277,138	259,605	(17,533)
-	26,195	26,195	<u>6,333,308</u>	<u>8,918,365</u>	<u>2,585,057</u>
<u>\$ (38,024)</u>	<u>\$ 90,527</u>	<u>\$ 128,551</u>	<u>\$ 6,610,446</u>	<u>\$ 9,177,970</u>	<u>\$ 2,567,524</u>

**CITY OF COLUMBIA, MISSOURI
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Stadium TDD's</u>		
	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
General property taxes	\$ -	\$ -	\$ -
Sales tax	-	-	-
Other local taxes	-	-	-
Fees and service charges	-	-	-
Revenue from other governmental units	-	1,137,603	1,137,603
Lease revenue			
Investment revenue	-	11,822	11,822
Miscellaneous revenue	-	-	-
TOTAL REVENUES	<u>-</u>	<u>1,149,425</u>	<u>1,149,425</u>
EXPENDITURES:			
Current:			
Policy development and administration	-	-	-
Health and environment	-	-	-
Personal development	-	-	-
Miscellaneous nonprogrammed activities:			
Other	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>1,149,425</u>	<u>1,149,425</u>
OTHER FINANCING SOURCES (USES):			
Transfers from other funds	-	-	-
Transfers to other funds	(566,537)	(566,536)	1
Miscellaneous	-	-	-
Lemone Trust note proceeds	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(566,537)</u>	<u>(566,536)</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	(566,537)	582,889	1,149,426
FUND BALANCE, BEGINNING OF PERIOD	<u>284,843</u>	<u>284,843</u>	<u>-</u>
FUND BALANCE, END OF PERIOD	<u>\$ (281,694)</u>	<u>\$ 867,732</u>	<u>\$ 1,149,426</u>

NON-MAJOR ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises-where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

Parking Facilities Fund - to account for revenues and expenses resulting from the operation and maintenance of City parking lots, municipal garages, and parking meters.

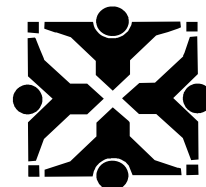
Recreational Services Fund - to account for revenues and expenses for various recreational services provided by the Parks and Recreation Department for which participants are charged fees.

Storm Water Utility Fund - to account for storm water funding, implementation of storm water management projects, and provide maintenance to existing drainage facilities.

Regional Airport Fund - to account for all the expenses incurred and revenues received by operations at the Columbia Regional Airport.

Public Transportation Fund - to account for all the expenses and revenues resulting from the provision of public transportation services by the Columbia Area Transportation System.

Railroad Fund - to account for revenues and expenses resulting from the operation of a railroad branch line which runs from a Norfolk and Southern main line in Centralia, Missouri to the City of Columbia.



**CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2011**

	Parking Facilities Fund	Recreational Services Fund	Storm Water Fund	Regional Airport Fund	Public Transportation Fund	Railroad Fund	Total Nonmajor Enterprise Funds
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 4,410,312	\$ 2,541,511	\$ 1,440,489	\$ 1,593,362	\$ 2,875,710	\$ 639,180	\$ 13,500,564
Receivable, net	20,237	10,020	106,155	85,057	161,808	48,785	432,062
Grants receivable	-	-	-	57,401	-	-	57,401
Accrued interest	32,669	3,694	2,599	3,016	5,333	1,023	48,334
Inventory	-	20,763	-	-	-	149,136	169,899
Prepaid items	-	9,621	-	-	-	-	9,621
Other assets	-	600	-	-	138	-	738
Total current assets	<u>4,463,218</u>	<u>2,586,209</u>	<u>1,549,243</u>	<u>1,738,836</u>	<u>3,042,989</u>	<u>838,124</u>	<u>14,218,619</u>
Noncurrent assets:							
Restricted assets:							
Bond covenant account cash	2,212,294	-	-	-	-	-	2,212,294
Grants receivable	-	-	-	416,533	899,425	2,357	1,318,315
Total restricted assets	<u>2,212,294</u>	<u>-</u>	<u>-</u>	<u>416,533</u>	<u>899,425</u>	<u>2,357</u>	<u>3,530,609</u>
Unamortized costs	293,332	-	-	-	-	-	293,332
Capital assets:							
Land	1,488,613	398,674	231,245	1,663,996	-	1,070,463	4,852,991
Structures and improvements	30,746,115	20,494,579	12,327,141	23,416,907	3,899,622	13,923,900	104,808,264
Furniture, fixtures and equipment	295,966	892,743	383,305	2,852,276	8,929,531	1,353,043	14,706,864
Construction in progress	99,556	-	36,047	683,105	9,652	116,072	944,432
Less accumulated depreciation	(8,339,149)	(7,598,329)	(4,589,663)	(11,777,865)	(5,332,034)	(4,122,242)	(41,759,282)
Total capital assets	<u>24,291,101</u>	<u>14,187,667</u>	<u>8,388,075</u>	<u>16,838,419</u>	<u>7,506,771</u>	<u>12,341,236</u>	<u>83,553,269</u>
Total noncurrent assets	<u>26,796,727</u>	<u>14,187,667</u>	<u>8,388,075</u>	<u>17,254,952</u>	<u>8,406,196</u>	<u>12,343,593</u>	<u>87,377,210</u>
Total Assets	<u>31,259,945</u>	<u>16,773,876</u>	<u>9,937,318</u>	<u>18,993,788</u>	<u>11,449,185</u>	<u>13,181,717</u>	<u>101,595,829</u>
LIABILITIES							
Current liabilities:							
Accounts payable	54,169	81,588	11,245	52,326	31,784	35,999	267,111
Accrued interest	89,880	-	-	-	-	-	89,880
Accrued payroll and payroll taxes	17,644	133,829	16,325	41,117	115,763	9,486	334,164
Accrued compensated absences	8,920	120,462	23,135	53,663	42,174	9,097	257,451
Loans payable to other funds – current maturities	-	-	-	-	-	139,404	139,404
Obligations under capital leases	-	-	-	21,873	-	-	21,873
Unearned revenue	115,477	14,473	-	-	22,423	-	152,373
Other liabilities	5,846	276	7,094	7,643	-	2,400	23,259
Construction contracts payable	80,516	-	1,890	388,545	1,124,281	-	1,595,232
Special obligation bonds payable	570,000	-	-	-	-	-	570,000
Total current liabilities	<u>942,452</u>	<u>350,628</u>	<u>59,689</u>	<u>565,167</u>	<u>1,336,425</u>	<u>196,386</u>	<u>3,450,747</u>
Noncurrent liabilities:							
Accrued compensated absences	2,961	39,991	7,680	17,815	14,001	3,020	85,468
Special obligation bonds payable	16,608,957	-	-	-	-	-	16,608,957
Advances from other funds	-	98,117	-	-	-	800,000	898,117
Loans payable to other funds	-	-	-	-	-	3,133,220	3,133,220
Obligations under capital leases	-	-	-	220,290	-	-	220,290
Net pension obligation	2,837	12,378	2,313	6,216	13,661	-	37,405
Total noncurrent liabilities	<u>16,614,755</u>	<u>150,486</u>	<u>9,993</u>	<u>244,321</u>	<u>27,662</u>	<u>3,936,240</u>	<u>20,983,457</u>
Total Liabilities	<u>17,557,207</u>	<u>501,114</u>	<u>69,682</u>	<u>809,488</u>	<u>1,364,087</u>	<u>4,132,626</u>	<u>24,434,204</u>
NET ASSETS							
Invested in capital assets, net of related debt	8,854,558	14,187,667	8,388,075	16,838,419	7,506,771	8,300,167	64,075,657
Restricted for:							
Capital Projects	-	-	-	416,533	899,425	-	1,315,958
Debt Service	380,000	-	-	-	-	-	380,000
Unrestricted	4,468,180	2,085,095	1,479,561	929,348	1,678,902	748,924	11,390,010
Total Net Assets	<u>\$ 13,702,738</u>	<u>\$ 16,272,762</u>	<u>\$ 9,867,636</u>	<u>\$ 18,184,300</u>	<u>\$ 10,085,098</u>	<u>\$ 9,049,091</u>	<u>\$ 77,161,625</u>

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CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Parking Facilities Fund	Recreational Services Fund	Storm Water Fund	Regional Airport Fund	Public Transportation Fund	Railroad Fund	Total Nonmajor Enterprise Funds
OPERATING REVENUES:							
Charges for services	\$ 2,038,935	\$ 4,136,896	\$ 1,227,591	\$ 684,631	\$ 1,671,933	\$ 828,593	\$ 10,588,579
OPERATING EXPENSES:							
Personal services	409,599	3,482,233	356,534	1,016,958	2,736,307	195,273	8,196,904
Materials, supplies, and power	208,388	914,745	104,670	144,721	1,359,299	106,800	2,838,623
Travel and training	50	5,626	1,193	16,359	2,760	3,580	29,568
Intragovernmental	129,861	695,221	164,306	205,758	632,827	73,781	1,901,754
Utilities, services, and miscellaneous	181,466	1,115,115	124,863	442,811	527,307	134,426	2,525,988
Depreciation	498,761	618,723	497,069	640,160	651,035	526,438	3,432,186
Total Operating Expenses	1,428,125	6,831,663	1,248,635	2,466,767	5,909,535	1,040,298	18,925,023
Operating Income (Loss)	610,810	(2,694,767)	(21,044)	(1,782,136)	(4,237,602)	(211,705)	(8,336,444)
NONOPERATING REVENUES (EXPENSES):							
Investment revenue	477,194	54,333	36,605	38,928	67,132	41,940	716,132
Revenue from other governmental units	31,844	-	-	175,350	1,456,756	-	1,663,950
Miscellaneous revenue	391	38,590	17,225	12,340	49,984	119,998	238,528
Interest expense	(913,019)	(7,625)	-	(4,347)	-	(45,325)	(970,316)
Loss on disposal of capital assets	-	(7,182)	-	-	(64,502)	-	(71,684)
Miscellaneous expense	(17,420)	(37,743)	-	-	(567)	-	(55,730)
Total Nonoperating Revenues (Expenses)	(421,010)	40,373	53,830	222,271	1,508,803	116,613	1,520,880
Income (Loss) Before Contributions and Transfers	189,800	(2,654,394)	32,786	(1,559,865)	(2,728,799)	(95,092)	(6,815,564)
Transfers in	-	2,352,590	18,620	1,326,195	2,079,255	2,571,152	8,347,812
Transfers out	(37,162)	-	(61,053)	(41,407)	-	(2,521,152)	(2,660,774)
Capital contribution	-	-	-	1,253,436	983,225	17,299	2,253,960
Total Transfers & Contributions	(37,162)	2,352,590	(42,433)	2,538,224	3,062,480	67,299	7,940,998
Changes in Net Assets	152,638	(301,804)	(9,647)	978,359	333,681	(27,793)	1,125,434
TOTAL NET ASSETS- BEGINNING OF PERIOD	13,550,100	16,574,566	9,877,283	17,205,941	9,751,417	9,076,884	76,036,191
TOTAL NET ASSETS- END OF PERIOD	\$ 13,702,738	\$ 16,272,762	\$ 9,867,636	\$ 18,184,300	\$ 10,085,098	\$ 9,049,091	\$ 77,161,625

**CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Parking Facilities Fund	Recreational Services Fund	Storm Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers (including other funds)	\$ 2,111,313	\$ 4,127,599	\$ 1,215,635
Cash received from other sources	391	38,590	17,225
Cash payments to suppliers	(311,375)	(2,066,286)	(261,577)
Cash payments to employees	(411,305)	(3,459,277)	(351,609)
Cash payments to other funds	(129,861)	(695,221)	(164,306)
Net cash provided for (used for) operating activities	<u>1,259,163</u>	<u>(2,054,595)</u>	<u>455,368</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	2,352,590	18,620
Transfers to other funds	(37,162)	-	(61,053)
Payments of advances from other funds	-	(124,658)	-
Revenue from other governmental units	31,844	-	-
Net cash provided for (used for) noncapital financing activities	<u>(5,318)</u>	<u>2,227,932</u>	<u>(42,433)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from bonds, loans, and capital leases	-	-	-
Debt service – interest payments	(907,826)	(7,625)	-
Debt service – principal	(555,000)	-	-
Acquisition and construction of capital assets	(3,394,771)	(326,852)	(131,274)
Fiscal agent fees payments	(345)	(37,743)	-
Decrease in construction contracts	(2,976,635)	(20,807)	(202,073)
Capital contributions, cash	-	-	-
Net cash provided for (used for) capital and related financing activities	<u>(7,834,577)</u>	<u>(393,027)</u>	<u>(333,347)</u>
CASH FLOWS FROM INVESTING ACTIVITIES –			
Interest received	494,687	55,693	37,076
Net cash provided for (used for) investing activities	<u>494,687</u>	<u>55,693</u>	<u>37,076</u>
Net increase (decrease) in cash and cash equivalents	(6,086,045)	(163,997)	116,664
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>12,708,651</u>	<u>2,705,508</u>	<u>1,323,825</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 6,622,606</u>	<u>\$ 2,541,511</u>	<u>\$ 1,440,489</u>
Displayed as:			
Cash and cash equivalents	\$ 4,410,312	\$ 2,541,511	\$ 1,440,489
Restricted assets	2,212,294	-	-
	<u>\$ 6,622,606</u>	<u>\$ 2,541,511</u>	<u>\$ 1,440,489</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES:			
Operating income (loss)	\$ 610,810	\$ (2,694,767)	\$ (21,044)
Adjustments to reconcile operating income to net cash provided (used) for operating activities:			
Depreciation	498,761	618,723	497,069
Changes in assets and liabilities:			
Decrease (increase) in receivable	72,378	(9,297)	(11,956)
Decrease (increase) in inventory	-	1,752	-
Decrease (increase) in prepaid items	-	(9,621)	-
Decrease (increase) in other assets	-	-	-
Increase (decrease) in accounts payable	37,314	(23,573)	(31,052)
Increase (decrease) in accrued payroll	(4,543)	10,578	2,612
Increase (decrease) in loans payable to other funds	-	-	-
Increase (decrease) in due to other funds	-	-	-
Increase (decrease) in other liabilities	41,215	642	201
Increase (decrease) in net pension obligation	2,837	12,378	2,313
Other nonoperating revenue	391	38,590	17,225
Net cash provided for (used for) operating activities	<u>\$ 1,259,163</u>	<u>\$ (2,054,595)</u>	<u>\$ 455,368</u>
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES:			
Change in fair value of investments	\$ (2,108)	\$ (895)	\$ (631)
Construction contracts payable	80,516	-	1,890
Total noncash capital and related financing activities	<u>\$ 78,408</u>	<u>\$ (895)</u>	<u>\$ 1,259</u>

**CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Regional Airport Fund	Public Transportation Fund	Railroad Fund	Total Nonmajor Enterprise Funds
\$ 677,021	\$ 1,592,438	\$ 883,778	\$ 10,607,784
12,340	49,984	119,998	238,528
(601,170)	(1,922,856)	(248,299)	(5,411,563)
(998,627)	(2,722,194)	(188,284)	(8,131,296)
<u>(205,758)</u>	<u>(632,827)</u>	<u>(73,781)</u>	<u>(1,901,754)</u>
<u>(1,116,194)</u>	<u>(3,635,455)</u>	<u>493,412</u>	<u>(4,598,301)</u>
1,326,195	2,079,255	2,571,152	8,347,812
(41,407)	-	(2,521,152)	(2,660,774)
-	-	800,000	675,342
<u>137,117</u>	<u>1,456,756</u>	<u>-</u>	<u>1,625,717</u>
<u>1,421,905</u>	<u>3,536,011</u>	<u>850,000</u>	<u>7,988,097</u>
252,816	-	2,521,152	2,773,968
(4,347)	-	(45,325)	(965,123)
(10,653)	-	(217,507)	(783,160)
(1,318,132)	(107,751)	(2,954,700)	(8,233,480)
-	(567)	-	(38,655)
(138,747)	-	(604,640)	(3,942,902)
<u>956,134</u>	<u>83,800</u>	<u>226,317</u>	<u>1,266,251</u>
<u>(262,929)</u>	<u>(24,518)</u>	<u>(1,074,703)</u>	<u>(9,923,101)</u>
<u>39,329</u>	<u>68,665</u>	<u>41,701</u>	<u>737,151</u>
<u>39,329</u>	<u>68,665</u>	<u>41,701</u>	<u>737,151</u>
82,111	(55,297)	310,410	(5,796,154)
<u>1,511,251</u>	<u>2,931,007</u>	<u>328,770</u>	<u>21,509,012</u>
<u>\$ 1,593,362</u>	<u>\$ 2,875,710</u>	<u>\$ 639,180</u>	<u>\$ 15,712,858</u>
\$ 1,593,362	\$ 2,875,710	\$ 639,180	\$ 13,500,564
-	-	-	2,212,294
<u>\$ 1,593,362</u>	<u>\$ 2,875,710</u>	<u>\$ 639,180</u>	<u>\$ 15,712,858</u>
\$ (1,782,136)	\$ (4,237,602)	\$ (211,705)	\$ (8,336,444)
640,160	651,035	526,438	3,432,186
(7,610)	(79,495)	(25,555)	(61,535)
-	-	76,479	78,231
813	-	-	(8,808)
-	-	-	-
2,599	(20,031)	(79,972)	(114,715)
12,115	452	6,989	28,203
-	-	80,740	80,740
-	-	-	-
(691)	(13,459)	-	27,908
6,216	13,661	-	37,405
<u>12,340</u>	<u>49,984</u>	<u>119,998</u>	<u>238,528</u>
<u>\$ (1,116,194)</u>	<u>\$ (3,635,455)</u>	<u>\$ 493,412</u>	<u>\$ (4,598,301)</u>
\$ (797)	\$ (1,209)	\$ (228)	\$ (5,868)
388,545	1,124,281	-	1,595,232
<u>\$ 387,748</u>	<u>\$ 1,123,072</u>	<u>\$ (228)</u>	<u>\$ 1,589,364</u>

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Custodial and Maintenance Services Fund - to account for the provision of custodial services and building maintenance used by other City departments.

Utility Customer Services Fund - to account for utility accounts receivable billing and customer services provided by the Finance Department to the Water and Electric, Sanitary Sewer, Solid Waste and Storm Water utilities.

Information Technologies Fund - to account for the provision of hardware infrastructure to support the computing requirements of the City, as well as developing or implementing software to improve the operating efficiencies of the departments within the City.

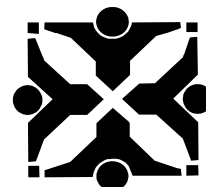
Public Communications Fund - to account for the provision of printing press, xerox, interdepartmental mail, and postage services to other City departments, and cable television operations.

Fleet Operations Fund - to account for operating a maintenance facility for automotive equipment, and for fuel used by some City departments.

Self Insurance Reserve Fund - to account for the payment of property and casualty losses, and uninsured workers' compensation claims.

GIS Fund - to account for the provision of geospatial technologies like computer mapping, geographic information systems, global positioning systems, remote sensing, and the accompanying spatial data to all City departments.

Employee Benefit Fund - to account for the City of Columbia's self-insurance program for health, disability and life insurance for covered City employees. Other employee benefits accounted for in this fund include; retirement sick leave, medical services, service awards, cafeteria plan and employee health/wellness.



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**CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2011**

	<u>Custodial and Maintenance Services Fund</u>	<u>Utility Customer Services Fund</u>	<u>Information Technologies Fund</u>
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 600,896	\$ 699,838	\$ 2,366,983
Investments	-	-	-
Receivable, net	-	114,414	5,592
Grants receivable	-	-	1,563
Accrued interest	1,076	1,279	4,303
Inventory	15,994	-	3,755
Prepaid items	286	-	15,900
Other assets	-	-	-
	<u>618,252</u>	<u>815,531</u>	<u>2,398,096</u>
TOTAL Current Assets			
CAPITAL ASSETS:			
Property, plant, and equipment	411,590	32,500	4,535,088
Less accumulated depreciation	<u>(120,461)</u>	<u>(32,500)</u>	<u>(4,098,481)</u>
	<u>291,129</u>	<u>-</u>	<u>436,607</u>
TOTAL Capital Assets			
TOTAL ASSETS	<u>909,381</u>	<u>815,531</u>	<u>2,834,703</u>
LIABILITIES AND NET ASSETS			
LIABILITIES:			
Current liabilities:			
Accounts payable	24,014	67,387	36,918
Accrued payroll and payroll taxes	26,953	23,874	92,953
Accrued compensated absences	15,089	17,740	102,814
Claims payable - health insurance	-	-	-
Claims payable - worker's compensation and general liability	-	-	-
Other liabilities	-	-	-
	<u>66,056</u>	<u>109,001</u>	<u>232,685</u>
Total current liabilities			
Noncurrent liabilities:			
Accrued compensated absences	5,009	5,889	34,133
Claims payable - worker's compensation and general liability	-	-	-
Net pension obligation	<u>5,873</u>	<u>4,337</u>	<u>9,758</u>
	<u>10,882</u>	<u>10,226</u>	<u>43,891</u>
Total noncurrent liabilities			
Total Liabilities	<u>76,938</u>	<u>119,227</u>	<u>276,576</u>
NET ASSETS			
Invested in capital assets, net of related debt	291,129	-	436,607
Unrestricted	<u>541,314</u>	<u>696,304</u>	<u>2,121,520</u>
	<u>\$ 832,443</u>	<u>\$ 696,304</u>	<u>\$ 2,558,127</u>
Total Net Assets			

**CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2011**

Public Communications Fund	Fleet Operations Fund	Self Insurance Reserve Fund	GIS Fund	Employee Benefit Fund	Total Internal Service Funds
\$ 1,342,550	\$ 1,198,967	\$ 2,486,005	\$ 11,333	\$4,247,988	\$ 12,954,560
-	-	4,860,182	-	-	4,860,182
140,679	7,200	-	-	391,042	658,927
-	-	-	20,865	-	22,428
2,408	2,230	2,269	13	7,586	21,164
9,545	763,032	-	-	-	792,326
-	-	-	-	50,095	66,281
-	-	-	-	-	-
<u>1,495,182</u>	<u>1,971,429</u>	<u>7,348,456</u>	<u>32,211</u>	<u>4,696,711</u>	<u>19,375,868</u>
946,988	891,623	33,350	-	-	6,851,139
(601,441)	(351,559)	(33,350)	-	-	(5,237,792)
<u>345,547</u>	<u>540,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,613,347</u>
<u>1,840,729</u>	<u>2,511,493</u>	<u>7,348,456</u>	<u>32,211</u>	<u>4,696,711</u>	<u>20,989,215</u>
11,675	306,403	\$14,171	902	\$171,332	632,802
36,148	69,590	7,797	10,795	20,214	288,324
21,918	48,723	8,494	6,120	9,884	230,782
-	-	-	-	743,696	743,696
-	-	1,597,318	-	-	1,597,318
-	-	-	-	79,143	79,143
<u>69,741</u>	<u>424,716</u>	<u>1,627,780</u>	<u>17,817</u>	<u>1,024,269</u>	<u>3,572,065</u>
7,276	16,176	2,820	2,032	3,282	76,617
-	-	2,943,429	-	-	2,943,429
3,885	11,366	1,084	1,265	1,446	39,014
<u>11,161</u>	<u>27,542</u>	<u>2,947,333</u>	<u>3,297</u>	<u>4,728</u>	<u>3,059,060</u>
<u>80,902</u>	<u>452,258</u>	<u>4,575,113</u>	<u>21,114</u>	<u>1,028,997</u>	<u>6,631,125</u>
345,547	540,064	-	-	-	1,613,347
<u>1,414,280</u>	<u>1,519,171</u>	<u>2,773,343</u>	<u>11,097</u>	<u>3,667,714</u>	<u>12,744,743</u>
<u>\$ 1,759,827</u>	<u>\$ 2,059,235</u>	<u>\$ 2,773,343</u>	<u>\$ 11,097</u>	<u>\$ 3,667,714</u>	<u>\$ 14,358,090</u>

CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Custodial and Maintenance Services Fund</u>	<u>Utility Customer Services Fund</u>	<u>Information Technologies Fund</u>
OPERATING REVENUES:			
Charges for services and other benefits	\$ 1,631,405	\$ 1,656,480	\$ 4,215,966
OPERATING EXPENSES:			
Personal services	731,465	627,854	2,348,757
Materials and supplies	168,836	308,312	260,285
Travel and training	2,376	-	22,172
Intragovernmental	114,380	319,125	199,010
Utilities, services, and miscellaneous	376,823	780,044	834,408
Depreciation	15,813	-	189,288
TOTAL OPERATING EXPENSES	<u>1,409,693</u>	<u>2,035,335</u>	<u>3,853,920</u>
OPERATING INCOME (LOSS)	<u>221,712</u>	<u>(378,855)</u>	<u>362,046</u>
NONOPERATING REVENUES (EXPENSES):			
Investment revenue	14,760	19,894	58,686
Revenue from other governmental units	-	-	5,000
Miscellaneous revenue	4,119	447,288	2,290
Interest expense	-	-	-
Loss on disposal of fixed assets	<u>(1,899)</u>	<u>-</u>	<u>-</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>16,980</u>	<u>467,182</u>	<u>65,976</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	238,692	88,327	428,022
Transfers in	-	-	-
Transfers out	<u>(69,646)</u>	<u>(106,288)</u>	<u>(219,518)</u>
CHANGES IN NET ASSETS	169,046	(17,961)	208,504
TOTAL NET ASSETS- BEGINNING OF PERIOD	<u>663,397</u>	<u>714,265</u>	<u>2,349,623</u>
TOTAL NET ASSETS- END OF PERIOD	<u>\$ 832,443</u>	<u>\$ 696,304</u>	<u>\$ 2,558,127</u>

CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

<u>Public Communications Fund</u>	<u>Fleet Operations Fund</u>	<u>Self Insurance Reserve Fund</u>	<u>GIS Fund</u>	<u>Employee Benefit Fund</u>	<u>Total Internal Service Funds</u>
\$ 1,525,900	\$ 7,954,852	\$4,070,362	\$ -	\$ 13,961,607	\$ 35,016,572
784,063	1,698,651	197,613	134,899	379,592	6,902,894
209,983	5,517,620	5,184	4,578	18,158	6,492,956
294	1,781	4,005	3,115	3,297	37,040
196,261	438,607	52,460	-	68,681	1,388,524
278,377	51,843	3,480,603	2,156	13,407,214	19,211,468
55,153	37,180	-	-	-	297,434
<u>1,524,131</u>	<u>7,745,682</u>	<u>3,739,865</u>	<u>144,748</u>	<u>13,876,942</u>	<u>34,330,316</u>
1,769	209,170	330,497	(144,748)	84,665	686,256
36,922	26,422	29,159	884	102,554	289,281
-	-	-	20,865	-	25,865
115	78,239	47,500	-	446,239	1,025,790
-	-	-	-	-	-
<u>-</u>	<u>(3,275)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,174)</u>
<u>37,037</u>	<u>101,386</u>	<u>76,659</u>	<u>21,749</u>	<u>548,793</u>	<u>1,335,762</u>
38,806	310,556	407,156	(122,999)	633,458	2,022,018
-	-	-	134,096	-	134,096
<u>(119,562)</u>	<u>(3,330)</u>	<u>(35,845)</u>	<u>-</u>	<u>(21,868)</u>	<u>(576,057)</u>
(80,756)	307,226	371,311	11,097	611,590	1,580,057
<u>1,840,583</u>	<u>1,752,009</u>	<u>2,402,032</u>	<u>-</u>	<u>3,056,124</u>	<u>12,778,033</u>
<u>\$ 1,759,827</u>	<u>\$ 2,059,235</u>	<u>\$ 2,773,343</u>	<u>\$ 11,097</u>	<u>\$ 3,667,714</u>	<u>\$ 14,358,090</u>

**CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Custodial and Maintenance Services Fund	Utility Customer Services Fund	Information Technologies Fund
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers (including other funds)	\$ 1,631,405	\$ 1,637,983	\$ 4,215,966
Cash received from other sources	4,119	447,288	2,290
Cash payments to suppliers	(544,385)	(1,037,177)	(1,225,372)
Cash payments to employees	(729,135)	(631,751)	(2,344,515)
Cash received (payments) for other expenses	-	-	-
Cash payments to other funds	(114,380)	(319,125)	(199,010)
Net cash provided for (used for) operating activities	<u>247,624</u>	<u>97,218</u>	<u>449,359</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	-	-	-
Transfers out	(69,646)	(106,288)	(219,518)
Operating grants	-	-	3,437
Net cash provided for (used for) noncapital financing activities	<u>(69,646)</u>	<u>(106,288)</u>	<u>(216,081)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Debt service – interest	-	-	-
Acquisition and construction of capital assets	(37,643)	-	(205,026)
Net cash provided for (used for) capital and related financing activities	<u>(37,643)</u>	<u>-</u>	<u>(205,026)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	14,703	20,238	59,677
Purchase of investments	-	-	-
Sale of investments	-	-	-
Net cash provided for (used for) investing activities	<u>14,703</u>	<u>20,238</u>	<u>59,677</u>
Net increase (decrease) in cash and cash equivalents	155,038	11,168	87,929
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>445,858</u>	<u>688,670</u>	<u>2,279,054</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 600,896</u>	<u>\$ 699,838</u>	<u>\$ 2,366,983</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES:			
Operating income (loss)	\$ 221,712	\$ (378,855)	\$ 362,046
Adjustments to reconcile operating income (loss) to net cash provided (used) for operating activities:			
Depreciation	15,813	-	189,288
Changes in assets and liabilities:			
Decrease (increase) in receivables	-	(18,497)	-
Decrease (increase) in inventory	3,783	-	(918)
Decrease (increase) in prepaid items	434	-	(8,947)
Decrease (increase) in other assets	-	-	-
Increase (decrease) in accounts payable	(6,440)	46,842	(108,400)
Increase (decrease) in accrued payroll	2,330	(3,897)	4,242
Increase (decrease) in due other funds	-	-	-
Increase (decrease) in other liabilities	-	-	-
Increase (decrease) in claims payable - workers' compensation and general liability and health insurance	-	-	-
Increase (decrease) in net pension obligation	5,873	4,337	9,758
Other nonoperating revenue	4,119	447,288	2,290
Net cash provided for (used for) operating activities	<u>\$ 247,624</u>	<u>\$ 97,218</u>	<u>\$ 449,359</u>
NONCASH INVESTING ACTIVITIES:			
Change in fair value of investments	\$ (265)	\$ (308)	\$ (1,034)
Total noncash capital and related financing activities	<u>\$ (265)</u>	<u>\$ (308)</u>	<u>\$ (1,034)</u>

**CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Public Communications Fund	Fleet Operations Fund	Self Insurance Reserve Fund	GIS Fund	Employee Benefit Fund	Total Internal Service Funds
\$ 1,530,474	\$ 7,961,563	\$ 4,275,839	\$ -	\$ 13,967,213	\$ 35,220,443
115	78,239	47,500	-	446,239	1,025,790
(499,285)	(5,718,042)	(3,484,242)	(8,947)	(13,394,116)	(25,911,566)
(776,716)	(1,667,463)	(193,592)	(114,687)	(366,809)	(6,824,668)
-	-	-	-	-	-
(196,261)	(438,607)	(52,460)	-	(68,681)	(1,388,524)
<u>58,327</u>	<u>215,690</u>	<u>593,045</u>	<u>(123,634)</u>	<u>583,846</u>	<u>2,121,475</u>
-	-	-	134,096	-	134,096
(119,562)	(3,330)	(35,845)	-	(21,868)	(576,057)
-	-	-	-	-	3,437
<u>(119,562)</u>	<u>(3,330)</u>	<u>(35,845)</u>	<u>134,096</u>	<u>(21,868)</u>	<u>(438,524)</u>
-	-	-	-	-	-
(30,614)	(23,163)	-	-	-	(296,446)
<u>(30,614)</u>	<u>(23,163)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(296,446)</u>
37,723	26,541	28,444	871	103,096	291,293
-	-	(4,866,937)	-	-	(4,866,937)
-	-	4,859,671	-	-	4,859,671
<u>37,723</u>	<u>26,541</u>	<u>21,178</u>	<u>871</u>	<u>103,096</u>	<u>284,027</u>
(54,126)	215,738	578,378	11,333	665,074	1,670,532
<u>1,396,676</u>	<u>983,229</u>	<u>1,907,627</u>	<u>-</u>	<u>3,582,914</u>	<u>11,284,028</u>
<u>\$ 1,342,550</u>	<u>\$ 1,198,967</u>	<u>\$ 2,486,005</u>	<u>\$ 11,333</u>	<u>\$ 4,247,988</u>	<u>\$ 12,954,560</u>
\$ 1,769	\$ 209,170	\$ 330,497	\$ (144,748)	\$ 84,665	\$ 686,256
55,153	37,180	-	-	-	297,434
4,574	6,711	-	-	5,606	(1,606)
11,789	(69,097)	-	-	-	(54,443)
-	-	-	-	(50,095)	(58,608)
-	-	-	-	-	-
(26,305)	(77,701)	5,550	902	1,144	(164,408)
7,347	19,822	2,937	18,947	11,337	63,065
-	-	-	-	-	-
-	-	-	-	(32,791)	(32,791)
-	-	205,477	-	116,295	321,772
3,885	11,366	1,084	1,265	1,446	39,014
115	78,239	47,500	-	446,239	1,025,790
<u>58,327</u>	<u>215,690</u>	<u>593,045</u>	<u>(123,634)</u>	<u>583,846</u>	<u>2,121,475</u>
<u>\$ (546)</u>	<u>\$ (554)</u>	<u>\$ (691)</u>	<u>\$ (17)</u>	<u>\$ (1,847)</u>	<u>\$ (5,262)</u>
<u>\$ (546)</u>	<u>\$ (554)</u>	<u>\$ (691)</u>	<u>\$ (17)</u>	<u>\$ (1,847)</u>	<u>\$ (5,262)</u>

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FIDUCIARY FUNDS

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the City's own programs.

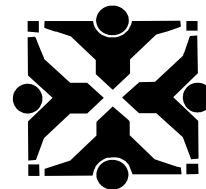
Police and Firefighters' Retirement Funds - to account for the accumulation of resources for pension benefit payments to qualified police and firefighter personnel.

Conley Poor Fund - to account for resources for a trust that was established primarily for food and medical payments for indigent persons of Columbia, Missouri.

REDI Trust Fund - to account for all Regional Economic Development, Inc. transactions.

Other Post Employment Benefit Trust Fund - to account for the accumulation of resources for post employment benefits to qualified plan participants.

Library Agency Fund - to report funds held for Daniel Boone Regional Library until requested by the Library board.



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CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2011

	Pension Trust and OPEB Funds			
	Firefighters' Retirement Fund	Police Retirement Fund	OPEB	Total
ASSETS				
Cash and cash equivalents	\$ 818,265	\$ 565,056	\$ 104,585	\$ 1,487,906
Accrued interest	105,059	72,549	(23)	177,585
Investments	49,606,377	34,255,892	1,465,167	85,327,436
Capital assets	6,913	4,774	-	11,687
Accumulated depreciation	(6,913)	(4,774)	-	(11,687)
Total Assets	50,529,701	34,893,497	1,569,729	86,992,927
LIABILITIES				
Accounts payable	2,783	1,922	-	4,705
Other liabilities	1,394,315	457,462	-	1,851,777
Total Liabilities	1,397,098	459,384	-	1,856,482
NET ASSETS				
Net assets held in trust	49,132,603	34,434,113	1,569,729	85,136,445
Total Net Assets	\$ 49,132,603	\$ 34,434,113	\$ 1,569,729	\$ 85,136,445

**CITY OF COLUMBIA, MISSOURI
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 SEPTEMBER 30, 2011**

	Private Purpose Trust Funds		
	Conley Poor Fund	REDI Trust Fund	Total
ASSETS			
Cash and cash equivalents	\$ 143,078	\$ 203,685	\$ 346,763
Accrued interest	256	363	619
Other assets	-	2,500	2,500
Total Assets	143,334	206,548	349,882
LIABILITIES			
Accounts payable	151	12,758	12,909
Other liabilities	-	83,617	83,617
Total Liabilities	151	96,375	96,526
NET ASSETS			
Net assets held in trust	143,183	110,173	253,356
Total Net Assets	\$ 143,183	\$ 110,173	\$ 253,356

CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Pension Trust and OPEB Funds			
	Firefighters' Retirement Fund	Police Retirement Fund	OPEB	Total
ADDITIONS				
Contributions:				
City	\$ 3,598,321	\$ 3,033,164	\$ 596,760	\$ 7,228,245
Employee	1,200,667	310,460	-	1,511,127
Net investment income:				
Net appreciation (depreciation) in fair value of investments	(2,603,186)	(1,416,896)	29	(4,020,053)
Interest and dividends	2,989,353	2,054,904	9,348	5,053,605
Total additions	<u>5,185,155</u>	<u>3,981,632</u>	<u>606,137</u>	<u>9,772,924</u>
DEDUCTIONS				
Current:				
Policy development and administration:				
Travel and training	890	612	-	1,502
Intragovernmental	30,662	21,077	-	51,739
Utilities, services, and miscellaneous	28,290	19,445	272,691	320,426
Pension benefits	5,000,007	3,178,663	-	8,178,670
Refund of employee's contributions	75,775	53,666	-	129,441
Total deductions	<u>5,135,624</u>	<u>3,273,463</u>	<u>272,691</u>	<u>8,681,778</u>
Change in net assets	49,531	708,169	333,446	1,091,146
NET ASSETS - BEGINNING	<u>49,083,072</u>	<u>33,725,944</u>	<u>1,236,283</u>	<u>84,045,299</u>
NET ASSETS - ENDING	<u>\$ 49,132,603</u>	<u>\$ 34,434,113</u>	<u>\$ 1,569,729</u>	<u>\$ 85,136,445</u>

CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Private Purpose Trust Funds		
	Conley Poor Fund	REDI Trust Fund	Total
ADDITIONS			
Contributions:			
Chamber	\$ -	\$ 140,300	\$ 140,300
City	-	30,000	30,000
County	-	35,000	35,000
University	-	15,000	15,000
Interest and dividends	3,814	5,277	9,091
Miscellaneous	50,439	38,815	89,254
	<u>54,253</u>	<u>264,392</u>	<u>318,645</u>
Total additions	54,253	264,392	318,645
DEDUCTIONS			
Current:			
Health and environment:			
Services and miscellaneous	5,940	-	5,940
Policy development and administration:			
Materials and supplies	-	15,469	15,469
Travel and training	-	56,103	56,103
Utilities, services, and miscellaneous	-	206,056	206,056
	<u>5,940</u>	<u>277,628</u>	<u>283,568</u>
Total Deductions	5,940	277,628	283,568
Change in net assets	48,313	(13,236)	35,077
NET ASSETS - BEGINNING	<u>94,870</u>	<u>123,409</u>	<u>218,279</u>
NET ASSETS - ENDING	<u>\$ 143,183</u>	<u>\$ 110,173</u>	<u>\$ 253,356</u>

CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2011

	Collections for other taxing units	Total
ASSETS		
Cash and cash equivalents	\$ 4,343,883	\$ 4,343,883
Taxes receivable, net	3,620,409	3,620,409
Accrued interest	7,980	7,980
Total Assets	7,972,272	7,972,272
LIABILITIES		
Due to other entities	\$ 3,607,980	\$ 3,607,980
Other liabilities	4,364,292	4,364,292
Total Liabilities	7,972,272	7,972,272

CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Balance</u> <u>October 1</u> <u>2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30</u> <u>2011</u>
ASSETS				
Cash and cash equivalents	\$ 4,096,236	\$ 3,938,659	\$ 3,691,012	\$ 4,343,883
Taxes receivable, net	3,544,759	7,174,844	7,099,194	3,620,409
Accrued interest	9,530	132,553	134,103	7,980
Total Assets	<u>\$ 7,650,525</u>	<u>\$ 11,246,056</u>	<u>\$ 10,924,309</u>	<u>\$ 7,972,272</u>
LIABILITIES				
Accounts payable	\$ 173,920	\$ -	\$ 173,920	\$ -
Due to other entities	3,527,290	3,554,180	3,473,490	3,607,980
Other liabilities	3,949,315	7,626,363	7,211,386	4,364,292
Total Liabilities	<u>\$ 7,650,525</u>	<u>\$ 11,180,543</u>	<u>\$ 10,858,796</u>	<u>\$ 7,972,272</u>

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STATISTICAL SECTION

The Statistical Section "relates to the physical, economic, social and political characteristics of the City." Its design is to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to the financial statements, and required supplementary information to understand and assess the City's economic condition.

Financial Trends Information - is intended to assist users in understanding and assessing how the City's financial position has changed over time.

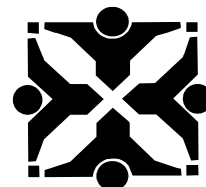
Revenue Capacity Information - is intended to assist users in understanding and assessing the factors affecting the City's ability to generate its own-source revenues, sales tax and property tax.

Debt Capacity Information - is intended to assist users in understanding and assessing the City's debt burden and its ability to issue additional debt.

Demographic and Economic Information - is intended (1) to assist users in understanding the socioeconomic environment within which the City operates and (2) to provide information that facilitates comparisons of financial statement information over time.

Operating Information - is intended to provide contextual information about the City's operations and resources to assist readers in using financial statement information to understand and assess the City's economic condition.

Sources: Unless otherwise noted, the information provided in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in fiscal year end September 30, 2002; schedules presenting government-wide information include information beginning in that year.



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Table 1

City of Columbia, Missouri

NET ASSETS BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year			
	2011	2010	2009	2008
Governmental Activities				
Invested in capital assets, net of related debt	\$ 302,588,445	\$ 282,847,173	\$ 260,097,787	\$ 244,275,475
Restricted for:				
Debt service	9,177,970	8,918,365	5,778,995	5,503,137
Capital projects	40,660,673	41,106,562	46,490,295	38,560,449
Nonexpendable	1,500,000	1,500,000	1,500,000	1,500,000
Expendable	6,906,079	6,710,867	6,446,329	6,147,453
Other purposes	16,508,073	20,758,215	20,157,428	21,108,040
Unrestricted	39,060,566	38,429,987	35,215,173	37,860,189
Total governmental activities net assets	<u>\$ 416,401,806</u>	<u>\$ 400,271,169</u>	<u>\$ 375,686,007</u>	<u>\$ 354,954,743</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 307,497,810	\$ 310,054,260	\$ 283,331,995	\$ 276,597,165
Restricted for:				
Debt service	12,411,147	11,165,691	11,478,081	7,851,943
Capital projects	9,279,147	2,988,585	290,464	1,107,426
Nonexpendable	-	-	-	-
Other purposes	2,274,042	2,253,899	2,210,713	2,167,641
Unrestricted	87,614,040	75,790,214	85,495,521	86,655,622
Total business-type activities net assets	<u>\$ 419,076,186</u>	<u>\$ 402,252,649</u>	<u>\$ 382,806,774</u>	<u>\$ 374,379,797</u>
Primary government				
Invested in capital assets, net of related debt	\$ 610,086,255	\$ 592,901,433	\$ 543,429,782	\$ 520,872,640
Restricted for:				
Debt service	21,589,117	20,084,056	17,257,076	13,355,080
Capital projects	49,939,820	44,095,147	46,780,759	39,667,875
Nonexpendable	1,500,000	1,500,000	1,500,000	1,500,000
Expendable	6,906,079	6,710,867	6,446,329	6,147,453
Other purposes	18,782,115	23,012,114	22,368,141	23,275,681
Unrestricted	126,674,606	114,220,201	120,710,694	124,515,811
Total primary government net assets	<u>\$ 835,477,992</u>	<u>\$ 802,523,818</u>	<u>\$ 758,492,781</u>	<u>\$ 729,334,540</u>

Table 1, cont.

City of Columbia, Missouri

NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Fiscal Year					
2007	2006	2005	2004	2003	2002
\$ 216,858,792	\$ 167,789,506	\$ 116,334,515	\$ 96,703,253	\$ 85,230,651	\$ 76,070,225
3,076,665	2,882,312	7,736,146	6,328,241	4,966,497	5,107,568
22,792,647	28,414,708	24,911,911	24,523,209	18,201,101	21,109,068
-	-	1,500,000	1,500,000	1,500,000	1,500,000
-	-	-	-	-	-
19,624,016	18,609,711	26,054,567	26,052,473	23,263,119	21,560,141
48,580,507	45,762,290	38,228,502	41,022,565	42,099,003	39,652,856
<u>\$ 310,932,627</u>	<u>\$ 263,458,527</u>	<u>\$ 214,765,641</u>	<u>\$ 196,129,741</u>	<u>\$ 175,260,371</u>	<u>\$ 164,999,858</u>
\$ 272,485,494	\$ 261,159,491	\$ 222,079,198	\$ 206,726,083	\$ 197,808,011	\$ 182,254,913
8,112,494	8,436,741	3,860,962	7,068,586	6,819,949	5,780,215
1,379,024	40,660	138,672	-	75,000	1,361,638
-	-	-	-	-	-
2,110,973	2,455,793	1,101,908	1,088,999	1,088,999	1,044,212
74,352,607	59,075,672	87,576,592	81,101,041	79,325,217	86,224,482
<u>\$ 358,440,592</u>	<u>\$ 331,168,357</u>	<u>\$ 314,757,332</u>	<u>\$ 295,984,709</u>	<u>\$ 285,117,176</u>	<u>\$ 276,665,460</u>
\$ 489,344,286	\$ 428,948,997	\$ 338,413,713	\$ 303,429,336	\$ 283,038,662	\$ 258,325,138
11,189,159	11,319,053	11,597,108	13,396,827	11,786,446	10,887,783
24,171,671	28,455,368	25,050,583	24,523,209	18,276,101	22,470,706
-	-	1,500,000	1,500,000	1,500,000	1,500,000
-	-	-	-	-	-
21,734,989	21,065,504	27,156,475	27,141,472	24,352,118	22,604,353
122,933,114	104,837,962	125,805,094	122,123,606	121,424,220	125,877,338
<u>\$ 669,373,219</u>	<u>\$ 594,626,884</u>	<u>\$ 529,522,973</u>	<u>\$ 492,114,450</u>	<u>\$ 460,377,547</u>	<u>\$ 441,665,318</u>

Table 2

City of Columbia, Missouri

CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2011	2010	2009	2008
Expenses				
Governmental activities:				
Policy development and administration	\$ 19,240,568	\$ 18,810,092	\$ 14,427,609	\$ 15,762,421
Public safety	39,177,408	38,075,595	38,011,371	36,142,924
Transportation	12,782,598	12,129,815	11,198,089	10,104,040
Health and environment	10,376,671	9,209,905	8,903,255	8,403,019
Personal development	6,724,219	11,004,972	10,344,600	10,350,937
Miscellaneous nonprogrammed activities	-	-	-	-
Interest on long-term debt	2,375,909	1,985,817	2,149,871	1,595,972
Total governmental activities expenses	<u>90,677,373</u>	<u>91,216,196</u>	<u>85,034,795</u>	<u>82,359,313</u>
Business-type activities:				
Electric utility	111,974,736	107,836,042	99,694,306	91,847,957
Water Utility	15,850,805	14,559,336	16,021,650	14,517,123
Sanitary Sewer Utility	12,738,819	12,507,201	12,030,951	10,970,073
Regional Airport	2,471,114	2,488,947	2,232,666	2,107,172
Public Transportation	5,974,604	5,547,130	5,382,338	5,069,495
Solid Waste Utility	14,282,699	14,131,288	13,747,082	14,044,574
Parking Facilities	2,358,564	1,748,966	1,295,897	1,432,705
Recreation Services	6,884,213	6,863,924	6,823,710	6,804,775
Railroad	1,085,623	878,449	941,661	980,760
Storm Water Utility	1,254,303	1,284,941	1,654,512	1,548,103
Total business-type activities expenses	<u>174,875,480</u>	<u>167,846,224</u>	<u>159,824,773</u>	<u>149,322,737</u>
Total primary government expenses	<u>\$ 265,552,853</u>	<u>\$ 259,062,420</u>	<u>\$ 244,859,568</u>	<u>\$ 231,682,050</u>
Program Revenues				
Governmental Activities:				
Charges for services:				
Policy Development and Administration	\$ 11,181,841	\$ 12,020,506	\$ 7,931,919	\$ 6,900,361
Public Safety	2,446,392	2,324,632	1,781,033	1,657,240
Transportation	191,711	186,584	243,700	252,885
Health and Environment	2,623,846	1,087,198	1,026,327	1,106,543
Operating grants and contributions	6,891,283	8,754,370	7,410,843	7,777,301
Capital grants and contributions	10,716,352	13,187,432	15,608,834	28,476,557
Total governmental activities program revenues	<u>34,051,425</u>	<u>37,560,722</u>	<u>34,002,656</u>	<u>46,170,887</u>
Business-type activities:				
Charges for services:				
Electric utility	127,546,900	120,448,779	110,753,285	106,481,160
Water Utility	20,331,142	17,354,581	15,876,107	15,314,326
Sanitary Sewer Utility	14,523,432	12,275,136	10,654,076	9,312,516
Regional Airport	684,631	599,804	481,984	434,980
Public Transportation	1,671,933	1,517,701	1,447,616	1,240,255
Solid Waste Utility	16,635,234	15,045,374	14,074,055	14,120,946
Parking Facilities	2,038,935	1,796,627	1,737,094	1,593,938
Recreation Services	4,136,896	4,079,714	4,120,606	3,848,181
Railroad	828,593	824,472	662,749	1,190,026
Storm Water Utility	1,233,891	1,138,804	1,229,374	1,391,760
Operating grants and contributions	1,844,800	1,723,698	2,026,465	1,588,506
Capital grants and contributions	3,176,929	9,376,080	2,476,997	4,366,361
Total business-type activities program revenues	<u>194,653,317</u>	<u>186,180,770</u>	<u>165,540,408</u>	<u>160,882,955</u>
Total primary government program revenues	<u>\$ 228,704,742</u>	<u>\$ 223,741,492</u>	<u>\$ 199,543,064</u>	<u>\$ 207,053,842</u>
Net (Expense)/Revenue				
Governmental activities	\$ (56,625,948)	\$ (53,655,474)	\$ (51,032,139)	\$ (36,188,426)
Business-type activities	19,777,837	18,334,546	5,715,635	11,560,218
Total primary government net expense	<u>\$ (36,848,111)</u>	<u>\$ (35,320,928)</u>	<u>\$ (45,316,504)</u>	<u>\$ (24,628,208)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Property taxes	\$ 7,026,844	\$ 10,849,831	\$ 10,703,734	\$ 10,724,486
Sales tax	40,538,522	38,296,731	37,615,054	38,669,141
Other taxes	14,274,548	14,148,024	13,557,057	13,687,438
Investment revenue	2,717,257	4,598,349	6,163,536	6,031,249
Miscellaneous	2,873,628	2,998,383	2,753,039	5,348,082
Transfers	9,275,101	7,349,318	6,110,870	5,750,147
Total governmental activities	<u>76,705,900</u>	<u>78,240,636</u>	<u>76,903,290</u>	<u>80,210,543</u>
Business-type activities				
Investment revenues	4,344,222	6,680,164	6,760,213	6,064,180
Miscellaneous	1,976,579	1,780,483	2,061,999	4,064,955
Transfers	(9,275,101)	(7,349,318)	(6,110,870)	(5,750,147)
Total business-type activities	<u>(2,954,300)</u>	<u>1,111,329</u>	<u>2,711,342</u>	<u>4,378,988</u>
Total primary government	<u>\$ 73,751,600</u>	<u>\$ 79,351,965</u>	<u>\$ 79,614,632</u>	<u>\$ 84,589,531</u>
Change in Net Assets				
Governmental activities	\$ 20,079,952	\$ 24,585,162	\$ 25,871,151	\$ 44,022,117
Business-type activities	16,823,537	19,445,875	8,426,977	15,939,206
Total primary government	<u>\$ 36,903,489</u>	<u>\$ 44,031,037</u>	<u>\$ 34,298,128</u>	<u>\$ 59,961,323</u>

Table 2, cont.

City of Columbia, Missouri

CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Fiscal Year					
2007	2006	2005	2004	2003	2002
\$ 16,162,970	\$ 14,047,440	\$ 14,712,020	\$ 11,532,002	\$ 10,012,258	\$ 9,486,747
34,547,514	32,167,354	29,704,634	27,615,723	26,447,188	25,307,596
9,989,096	8,168,999	7,700,932	5,895,028	5,600,113	5,674,399
8,343,812	7,639,076	7,058,136	6,685,175	6,134,136	5,854,326
9,832,710	9,038,976	8,606,844	8,268,102	8,604,106	8,209,699
-	297,304	372,913	468,146	297,170	400,061
1,189,668	458,311	571,672	608,792	834,347	1,206,283
<u>80,065,770</u>	<u>71,817,460</u>	<u>68,727,151</u>	<u>61,072,968</u>	<u>57,929,318</u>	<u>56,139,111</u>
84,599,965	85,180,682	72,115,157	63,246,225	58,943,254	54,872,564
13,783,103	12,708,293	11,440,612	9,958,766	9,444,314	9,297,790
10,475,106	10,200,386	9,297,703	9,216,293	8,979,382	8,649,912
2,064,326	1,915,995	1,812,969	1,808,651	1,671,071	1,601,094
4,501,492	4,125,604	3,562,176	3,252,432	3,044,024	2,936,602
12,505,734	11,480,727	11,805,562	10,692,045	10,432,357	10,293,259
1,362,421	1,664,290	1,756,122	1,745,467	1,755,804	1,841,303
6,433,091	6,359,714	6,230,875	5,844,897	5,704,862	4,443,406
954,111	885,845	866,061	712,513	661,508	529,662
1,445,133	1,325,696	1,287,269	1,048,514	989,921	983,738
<u>138,124,482</u>	<u>135,847,232</u>	<u>120,174,506</u>	<u>107,525,803</u>	<u>101,626,497</u>	<u>95,449,330</u>
<u>\$ 218,190,252</u>	<u>\$ 207,664,692</u>	<u>\$ 188,901,657</u>	<u>\$ 168,598,771</u>	<u>\$ 159,555,815</u>	<u>\$ 151,588,441</u>
\$ 6,601,539	\$ 6,045,300	\$ 5,338,128	\$ 4,778,358	\$ 4,439,151	\$ 3,771,928
1,698,523	1,562,965	1,719,602	1,900,346	1,939,952	1,805,673
428,045	843,248	526,174	472,404	972,989	487,922
1,270,739	1,548,181	1,384,242	1,262,235	1,175,925	946,576
6,019,212	5,423,564	4,587,226	4,758,552	4,325,098	3,890,031
<u>37,822,556</u>	<u>37,383,705</u>	<u>12,785,920</u>	<u>12,215,202</u>	<u>2,455,945</u>	<u>2,740,029</u>
<u>53,840,614</u>	<u>52,806,963</u>	<u>26,341,292</u>	<u>25,387,097</u>	<u>15,309,060</u>	<u>13,642,159</u>
100,857,750	90,700,695	78,523,327	67,983,301	65,043,670	62,947,076
16,071,201	14,859,481	13,822,937	11,407,029	11,219,163	10,341,415
9,071,132	8,873,887	8,647,406	7,970,035	7,326,327	6,921,849
462,054	571,802	588,194	583,835	551,350	467,031
1,172,095	1,054,996	779,326	713,121	496,636	450,404
12,966,592	12,583,784	11,338,115	10,906,469	10,311,376	9,626,014
1,562,110	1,657,637	1,641,734	1,675,667	1,707,745	1,694,281
3,952,786	4,049,440	3,905,351	3,620,897	3,354,222	2,458,986
1,042,370	851,388	847,329	621,322	470,738	389,497
1,380,233	1,588,339	1,510,819	1,394,510	1,402,768	1,106,091
1,532,740	1,706,958	919,617	1,261,263	1,304,361	1,166,886
<u>9,643,692</u>	<u>10,546,398</u>	<u>9,203,715</u>	<u>6,600,749</u>	<u>4,703,521</u>	<u>6,369,450</u>
<u>159,714,755</u>	<u>149,044,805</u>	<u>131,727,870</u>	<u>114,738,198</u>	<u>107,891,877</u>	<u>103,938,980</u>
<u>\$ 213,555,369</u>	<u>\$ 201,851,768</u>	<u>\$ 158,069,162</u>	<u>\$ 140,125,295</u>	<u>\$ 123,200,937</u>	<u>\$ 117,581,139</u>
\$ (26,225,156)	\$ (19,010,497)	\$ (42,385,859)	\$ (35,685,871)	\$ (42,620,258)	\$ (42,496,952)
21,590,273	13,197,573	11,553,364	7,212,395	6,265,380	8,489,650
<u>\$ (4,634,883)</u>	<u>\$ (5,812,924)</u>	<u>\$ (30,832,495)</u>	<u>\$ (28,473,476)</u>	<u>\$ (36,354,878)</u>	<u>\$ (34,007,302)</u>
\$ 10,301,967	\$ 9,818,770	\$ 9,295,077	\$ 8,601,981	\$ 8,247,466	\$ 8,228,712
38,745,372	38,290,388	35,593,421	33,549,370	31,612,249	30,725,843
11,157,118	10,995,778	10,389,422	9,930,006	9,597,030	8,819,608
6,518,778	3,944,122	2,554,155	2,151,560	1,478,964	6,542,331
1,994,256	1,579,152	1,557,884	1,320,073	1,465,309	1,158,765
4,981,765	3,075,173	1,631,800	1,002,251	479,753	340,740
<u>73,699,256</u>	<u>67,703,383</u>	<u>61,021,759</u>	<u>56,555,241</u>	<u>52,880,771</u>	<u>55,815,999</u>
6,689,670	4,283,787	2,980,338	2,497,648	1,895,527	6,559,492
3,974,057	2,004,838	5,870,721	2,159,741	770,562	1,716,625
(4,981,765)	(3,075,173)	(1,631,800)	(1,002,251)	(479,753)	(340,740)
<u>5,681,962</u>	<u>3,213,452</u>	<u>7,219,259</u>	<u>3,655,138</u>	<u>2,186,336</u>	<u>7,935,377</u>
<u>\$ 79,381,218</u>	<u>\$ 70,916,835</u>	<u>\$ 68,241,018</u>	<u>\$ 60,210,379</u>	<u>\$ 55,067,107</u>	<u>\$ 63,751,376</u>
\$ 47,474,100	\$ 48,692,886	\$ 18,635,900	\$ 20,869,370	\$ 10,260,513	\$ 13,319,047
27,272,235	16,411,025	18,772,623	10,867,533	8,451,716	16,425,027
<u>\$ 74,746,335</u>	<u>\$ 65,103,911</u>	<u>\$ 37,408,523</u>	<u>\$ 31,736,903</u>	<u>\$ 18,712,229</u>	<u>\$ 29,744,074</u>

Table 3

City of Columbia, Missouri

FUND BALANCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

Pre-GASB 54

Fiscal Year

	2010	2009	2008	2007
General Fund				
Reserved	\$ 4,509,367	\$ 4,110,859	\$ 4,409,134	\$ 3,765,930
Unreserved	22,095,551	21,548,968	20,339,863	14,926,963
Total general fund	<u>\$ 26,604,918</u>	<u>\$ 25,659,827</u>	<u>\$ 24,748,997</u>	<u>\$ 18,692,893</u>
All Other Governmental Funds				
Reserved	\$ 27,940,414	\$ 42,977,342	\$ 40,512,180	\$ 18,930,218
Unreserved, reported in:				
* Transportation sales tax fund	-	-	-	1,369,559
Capital projects fund	33,059,217	32,708,733	50,413,973	47,825,768
Special revenue funds	14,679,769	15,113,454	15,082,742	12,812,404
Debt service funds	1,604,370	1,022,995	5,503,137	3,076,665
Permanent fund	4,610,758	5,080,931	4,540,140	3,908,163
Total all other governmental funds	<u>\$ 81,894,528</u>	<u>\$ 96,903,455</u>	<u>\$ 116,052,172</u>	<u>\$ 87,922,777</u>

* For 2008, 2009, 2010 and 2011, Transportation sales tax fund is not a major fund.

Post-GASB 54

Fiscal Year

	2011	2010
General Fund		
Nonspendable	\$ 421,250	\$ 550,483
Restricted	-	400,827
Committed	737,491	503,067
Assigned	3,099,217	6,391,299
Unassigned	23,660,321	18,759,242
Total general fund	<u>\$ 27,918,279</u>	<u>\$ 26,604,918</u>
All Other Governmental Funds		
Nonspendable	\$ 1,502,053	\$ 1,503,064
Restricted	25,486,928	32,812,393
Committed	10,755,442	11,531,443
Assigned	39,227,961	36,047,628
Unassigned	-	-
Total all other governmental funds	<u>\$ 76,972,384</u>	<u>\$ 81,894,528</u>

Note: Two years of data available for GASB 54 compliance which was adopted in 2011.

2010 data was restated for GASB 54 comparable presentation.

Table 3, cont.

City of Columbia, Missouri

FUND BALANCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

Pre-GASB 54

Fiscal Year

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 1,445,303	\$ 1,498,105	\$ 1,756,304	\$ 1,036,088	\$ 885,596
16,760,474	15,494,288	16,383,104	15,357,779	13,617,008
<u>\$ 18,205,777</u>	<u>\$ 16,992,393</u>	<u>\$ 18,139,408</u>	<u>\$ 16,393,867</u>	<u>\$ 14,502,604</u>
\$ 16,113,195	\$ 15,073,596	\$ 14,114,135	\$ 15,337,803	\$ 11,351,539
303,100	2,699,560	3,021,117	2,122,164	1,902,429
54,401,219	28,626,104	28,417,588	20,268,808	25,387,829
13,334,316	11,497,187	10,752,236	9,991,991	7,068,022
2,882,312	7,052,554	5,626,190	4,259,497	3,682,568
3,048,736	2,682,062	3,367,961	3,680,907	3,373,688
<u>\$ 90,082,878</u>	<u>\$ 67,631,063</u>	<u>\$ 65,299,227</u>	<u>\$ 55,661,170</u>	<u>\$ 52,766,075</u>

Table 4

City of Columbia, Missouri

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year			
	2011	2010	2009	2008
REVENUES				
General property taxes	\$ 7,026,844	\$ 10,849,831	\$ 10,703,734	\$ 10,511,523
Sales tax	40,538,522	38,296,731	37,615,054	38,669,141
Other local taxes	13,614,566	13,504,093	13,199,548	13,387,438
Licenses and permits	864,719	835,864	842,850	835,668
Fines	2,049,392	1,900,869	1,457,963	1,367,376
Fees and service charges	2,916,163	2,214,818	1,917,453	2,137,096
Special assessment taxes	-	-	-	-
Intragovernmental revenue	4,139,602	4,200,389	4,025,046	3,634,049
Revenue from other governmental units	15,717,748	17,624,734	17,295,161	13,628,052
Lease revenue	1,267,667	-	-	-
Investment revenue	2,447,870	4,258,602	5,789,199	5,512,478
Miscellaneous	2,873,628	2,998,383	2,753,039	5,348,082
Total Revenues	<u>93,456,721</u>	<u>96,684,314</u>	<u>95,599,047</u>	<u>95,030,903</u>
EXPENDITURES				
Current:				
Policy development and administration	11,268,430	12,143,800	12,013,837	11,717,872
Public safety	37,847,252	36,661,665	35,970,659	34,271,625
Transportation	7,821,261	7,775,001	7,092,854	6,339,224
Health and environment	10,411,813	9,170,450	8,824,133	8,338,490
Personal development	5,998,949	10,206,251	9,719,922	9,683,200
Misc. nonprogrammed activities	815,943	921,771	1,238,802	1,145,650
Capital outlay	32,825,543	36,014,773	42,008,951	17,256,742
Debt service:				
Redemption of serial bonds	5,089,434	3,580,000	3,205,000	3,070,000
Interest	2,427,400	2,081,731	2,242,906	1,593,623
Fiscal agent fees	661	661	661	238,954
Total Expenditures	<u>114,506,686</u>	<u>118,556,103</u>	<u>122,317,725</u>	<u>93,655,380</u>
Excess (Deficiency) of Revenues over Expenditures	(21,049,965)	(21,871,789)	(26,718,678)	1,375,523
OTHER FINANCING SOURCES (USES)				
Transfers in	50,570,961	37,063,260	33,106,245	56,874,109
Transfers out	(40,960,187)	(29,255,307)	(26,939,792)	(51,061,200)
Issuance of 2006B S.O. Bonds	-	-	-	-
Issuance of 2007A S.O. Notes	-	-	-	-
Premium on 2006B S.O. Bonds	-	-	-	-
Issuance of 2008B S.O. Bonds	-	-	-	26,795,000
Premium on 2008B S.O. Bonds	-	-	-	202,067
Issuance of Lemone Trust Note	11,779,723	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total Other Financing Sources (Uses)	<u>21,390,497</u>	<u>7,807,953</u>	<u>6,166,453</u>	<u>32,809,976</u>
Net Change in Fund Balances	<u>\$ 340,532</u>	<u>\$ (14,063,836)</u>	<u>\$ (20,552,225)</u>	<u>\$ 34,185,499</u>
Debt service as a percentage of noncapital expenditures	9.20%	6.86%	6.78%	6.42%

Table 4, cont.

City of Columbia, Missouri

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

Fiscal Year					
2007	2006	2005	2004	2003	2002
\$ 9,967,339	\$ 9,646,086	\$ 8,585,445	\$ 8,417,968	\$ 8,340,896	\$ 7,979,408
38,745,372	38,290,388	35,593,421	33,549,370	31,612,249	30,725,843
10,857,118	10,570,864	9,993,087	9,534,286	9,063,234	8,425,476
833,247	798,325	766,084	696,271	692,256	651,697
1,387,447	1,286,742	1,423,992	1,586,050	1,597,787	1,489,192
2,379,845	3,056,936	2,659,583	2,503,391	2,359,639	1,840,341
81,412	251,548	55,052	45,549	588,520	84,662
3,353,142	3,270,654	3,093,319	3,052,749	2,985,738	2,862,384
10,894,018	8,973,614	7,938,879	11,704,084	6,781,043	6,630,060
-	-	-	-	-	-
5,870,563	3,451,822	2,255,822	1,907,040	1,249,936	3,672,200
1,994,256	1,579,152	1,557,884	1,320,073	1,465,309	1,153,687
<u>86,363,759</u>	<u>81,176,131</u>	<u>73,922,568</u>	<u>74,316,831</u>	<u>66,736,607</u>	<u>65,514,950</u>
10,390,474	9,768,892	9,223,803	8,378,763	8,079,480	7,775,482
32,751,068	30,809,809	28,401,357	26,477,538	25,521,715	24,521,668
6,880,329	5,932,842	5,893,676	4,314,145	4,116,302	4,203,240
8,271,922	7,592,239	7,022,635	6,662,314	6,116,585	5,839,638
9,253,029	8,501,244	8,110,722	7,790,423	8,135,545	7,789,741
1,200,495	296,909	373,787	465,263	74,660	179,081
24,574,512	13,197,225	12,978,663	8,434,463	8,181,392	6,677,557
2,110,000	7,955,000	949,500	885,000	1,522,000	2,218,500
1,266,232	393,351	578,002	614,692	687,333	843,827
37,180	237,448	2,750	2,883	4,295	3,555
<u>96,735,241</u>	<u>84,684,959</u>	<u>73,534,895</u>	<u>64,025,484</u>	<u>62,439,307</u>	<u>60,052,289</u>
(10,371,482)	(3,508,828)	387,673	10,291,347	4,297,300	5,462,661
34,906,932	57,996,676	27,133,709	22,826,021	19,617,349	20,271,856
(29,948,435)	(55,396,800)	(26,336,561)	(21,733,770)	(19,128,291)	(20,214,080)
-	25,615,000	-	-	-	-
3,740,000	-	-	-	-	-
-	1,139,950	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(2,180,799)	-	-	-	-
<u>8,698,497</u>	<u>27,174,027</u>	<u>797,148</u>	<u>1,092,251</u>	<u>489,058</u>	<u>57,776</u>
\$ (1,672,985)	\$ 23,665,199	\$ 1,184,821	\$ 11,383,598	\$ 4,786,358	\$ 5,520,437
4.73%	12.01%	2.53%	2.70%	4.08%	5.74%

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Table 5

City of Columbia, Missouri

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year Ended	Real Property	Personal Property	State Assessed Value	Total Assessed Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value	Total Direct Tax Rate
2002	802,530,799	211,324,296	6,486,794	1,020,341,889	4,251,424,537	24.0%	1.05
2003	854,784,262	206,788,704	6,486,398	1,068,059,364	4,450,247,350	24.0%	1.05
2004	891,032,480	217,649,475	6,967,420	1,115,649,375	4,648,539,062	24.0%	1.04
2005	938,654,305	219,486,364	6,625,558	1,164,766,227	4,853,192,612	24.0%	1.04
2006	1,122,375,072	242,354,182	6,488,268	1,371,217,522	5,713,406,342	24.0%	0.98
2007	1,207,930,492	260,021,334	6,122,350	1,474,074,176	6,141,975,733	24.0%	0.94
2008	1,292,414,862	273,363,667	5,843,391	1,571,621,920	6,548,424,667	24.0%	0.94
2009	1,347,522,235	275,394,049	5,522,897	1,628,439,181	6,785,163,254	24.0%	0.93
2010	1,379,654,147	254,289,515	5,451,561	1,639,395,223	6,830,813,429	24.0%	0.93
2011	1,400,192,298	250,581,100	5,140,761	1,655,914,159	6,899,642,329	24.0%	0.93

Source: Certified Copy of Order, Boone County Court.

Table 6

City of Columbia, Missouri

**PROPERTY TAX RATES AND TAX LEVIES – DIRECT AND OVERLAPPING GOVERNMENTS (a)
LAST TEN FISCAL YEARS**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
CITY TAX RATES:					
General Fund	\$0.41	\$0.41	\$0.41	\$0.41	\$0.41
Debt Service Fund	0.00	0.00	0.00	0.00	0.00
Library Funds	<u>0.64</u>	<u>0.63</u>	<u>0.63</u>	<u>0.63</u>	<u>0.57</u>
Total City Tax Rate	<u>1.05</u>	<u>1.04</u>	<u>1.04</u>	<u>1.04</u>	<u>0.98</u>
SCHOOL DISTRICT	<u>4.75</u>	<u>4.94</u>	<u>4.94</u>	<u>4.94</u>	<u>4.69</u>
COUNTY TAX RATES:					
County	0.13	0.13	0.13	0.13	0.12
Hospital Maintenance	0.00	0.00	0.00	0.00	0.00
Bridge Bond	0.00	0.00	0.00	0.00	0.00
Hospital Debt Service	0.00	0.00	0.00	0.00	0.00
Group Homes (b)	0.12	0.12	0.12	0.12	0.11
Boone Retirement Center	0.00	0.00	0.00	0.00	0.00
Highway	<u>0.05</u>	<u>0.05</u>	<u>0.05</u>	<u>0.05</u>	<u>0.05</u>
Total County Tax Rates (c)	<u>0.30</u>	<u>0.30</u>	<u>0.30</u>	<u>0.30</u>	<u>0.28</u>
STATE	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>
TOTAL TAX RATIO FOR ALL OVERLAPPING GOVERNMENTS	<u>\$6.13</u>	<u>\$6.31</u>	<u>\$6.31</u>	<u>\$6.31</u>	<u>\$5.98</u>

(a) All tax rates are presented per \$100 of Assessed Valuation.

(b) These facilities are operated for handicapped persons, as defined in Section 198.900 RSMo, who are employed at the facility or in the community and/or for persons who are handicapped due to a developmental disability.

(c) The levy for the County Library District is not included on this table since this levy does not apply within City limits.

Source: Certified Copy of Order, Boone County Court.

Table 6, cont.

City of Columbia, Missouri

PROPERTY TAX RATES AND TAX LEVIES – DIRECT AND OVERLAPPING GOVERNMENTS (a)
LAST TEN FISCAL YEARS

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$0.41	\$0.41	\$0.41	\$0.41	\$0.41
0.00	0.00	0.00	0.00	0.00
<u>0.53</u>	<u>0.53</u>	<u>0.52</u>	<u>0.52</u>	<u>0.52</u>
<u>0.94</u>	<u>0.94</u>	<u>0.93</u>	<u>0.93</u>	<u>0.93</u>
<u>4.67</u>	<u>4.71</u>	<u>4.73</u>	<u>4.77</u>	<u>4.85</u>
0.12	0.12	0.12	0.12	0.12
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.11	0.11	0.11	0.11	0.11
0.00	0.00	0.00	0.00	0.00
<u>0.05</u>	<u>0.05</u>	<u>0.05</u>	<u>0.05</u>	<u>0.05</u>
<u>0.28</u>	<u>0.28</u>	<u>0.28</u>	<u>0.28</u>	<u>0.28</u>
<u>0.03</u>	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>
<u>\$5.92</u>	<u>\$5.96</u>	<u>\$5.97</u>	<u>\$6.01</u>	<u>\$6.09</u>

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Table 7

City of Columbia, Missouri

PRINCIPAL TAXPAYERS
CURRENT AND NINE YEARS AGO

Taxpayer	Type of Business	2011			2002		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
State Farm Mutual Automobile Ins Company	Insurance	\$ 7,807,371	1	0.50%	8,161,402	4	0.80%
Columbia Mall Limited Partnership	Property/Developer	6,705,078	2	0.43%	8,268,325	3	0.81%
TKG Biscayne LLC	Property/Developer	6,473,891	3	0.41%	4,856,097	7	0.48%
Shelter Insurance	Insurance	5,616,484	4	0.36%	9,925,608	2	0.97%
COG Leasing Company LLP	Health Services	4,002,304	5	0.25%	--	--	--
Rayman Columbia Center Trust	Property/Developer	3,935,232	6	0.25%	3,777,439	10	0.37%
Broadway-Fairview Venture LLC	Property/Developer	3,896,005	7	0.25%	--	--	--
Rusk Rehabilitation Center	Health Services	3,783,072	8	0.24%	3,790,932	9	0.37%
Grindstone Plaza Development	Property/Developer	3,647,027	9	0.23%	--	--	--
The Links at Columbia	Property/Developer	3,581,500	10	0.23%	--	--	--
3M Company	Manufacturer	--	--	--	27,795,707	1	2.73%
Columbia Foods	Manufacturer	--	--	--	5,770,966	5	0.57%
Dan Hagan	Property/Developer	--	--	--	3,869,202	8	0.38%
Broadway Crossings II	Property/Developer	--	--	--	5,748,566	6	0.56%
		<u>\$ 49,447,964</u>		<u>3.15%</u>	<u>\$ 81,964,244</u>		<u>8.04%</u>

Note: The assessed value is approximately 32% of the estimated actual value of the property.
Information provided by the Boone County Government Center Treasurer's Office

Table 8

City of Columbia, Missouri

GENERAL FUND

PROPERTY TAX LEVIES AND TAX COLLECTIONS
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended</u>	<u>Net Current Tax Levy (a)</u>	<u>Current Tax Collections</u>	<u>Percent Of Levy Collected</u>	<u>Delinquent Tax Collections</u>
2002	4,127,151 (b)	4,074,122	98.72%	49,570
2003	4,331,540 (b)	4,287,673	98.99%	46,432
2004	4,528,933 (b)	4,486,029	99.05%	44,526
2005	4,631,549 (b)	4,596,600	99.25%	41,817
2006	5,522,905 (b)	5,441,065	98.52%	33,572
2007	5,967,623 (b)	5,857,996	98.16%	79,467
2008	6,443,422 (b)	6,357,847	98.67%	107,581
2009	6,623,448 (b)	6,506,350	98.23%	83,791
2010	6,695,352 (b)	6,615,594	98.81%	114,785
2011	6,515,190 (b)	6,425,234	98.62%	80,029

(a) Balances are net of amounts deducted for estimated uncollectible taxes and collection fees withheld by County.

(b) Includes deferred property tax revenue.

Table 8, cont.

City of Columbia, Missouri

GENERAL FUND

PROPERTY TAX LEVIES AND TAX COLLECTIONS
LAST TEN FISCAL YEARS

<u>Total Tax Collections</u>	<u>Total Collections As A Percent Of Net Current Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent As A Percent Net Current Tax Levy</u>
4,123,692	99.92%	16,407	0.40%
4,334,105	100.06%	23,004	0.53%
4,530,555	100.04%	22,345	0.49%
4,638,417	100.15%	23,432	0.51%
5,474,637	99.13%	24,809	0.45%
5,937,463	99.49%	27,182	0.46%
6,465,428	100.34%	29,228	0.45%
6,590,141	99.50%	31,012	0.47%
6,730,379	100.52%	33,325	0.50%
6,505,263	99.85%	33,053	0.50%

Table 9

City of Columbia, Missouri

**SCHEDULE OF ELECTRIC SERVICE RATES *
LAST TEN FISCAL YEARS**

<u>RESIDENTIAL SERVICE RATE (per kilowatt hour)</u>	FY	2010-2011	2009-2010
Customer charge	per month	\$7.20	\$6.95
All kWh	¢ per KWH	n/a	n/a
All kWh winter, first 750 kWh summer	¢ per KWH	9.440	9.275
Next 1,250 kWh summer	¢ per KWH	12.7700	12.6370
Electric Heating (October through May) All kWh	¢ per KWH	9.440	9.275
Electric Heating (October through May) Over 750 kWh	¢ per KWH	8.040	7.350
Heat Pump (October through May) All kWh	¢ per KWH	7.200	6.950
Heat Pump (October through May) Over 750 kWh	¢ per KWH	7.5680	6.8880
<u>SMALL GENERAL SERVICE RATE (per kilowatt hour)</u>			
Customer charge (single-phase)	per month	\$7.20	\$6.95
Customer charge (three-phase)	per month	\$9.58	\$9.30
All kWh	¢ per KWH	n/a	n/a
All kWh winter, first 1,500 kWh summer	¢ per KWH	9.300	9.036
Over 1,500 kWh summer	¢ per KWH	11.7470	11.7470
Electric Heating (October through May) kWh in excess of 75% of customer's summer maximum kWh	¢ per KWH	n/a	n/a
Electric Heating (October through May) All kWh	¢ per KWH	9.300	9.036
Electric Heating (October through May) Over 1,500 kWh	¢ per KWH	8.3700	8.1300
Heat pump (October through May) All kWh	¢ per KWH	9.300	9.036
Heat pump (October through May) over 1,500 kWh	¢ per KWH	7.9050	7.6800
Heat pump (October through May) kWh in excess of 50% of customer's summer maximum kWh	¢ per KWH	n/a	n/a
<u>PRIVATE STREET AND OUTDOOR AREA LIGHTING RATE</u>			
100 Watt Mercury Vapor (M.V.)	per month	\$4.00	\$4.65
100 Watt High Pressure Sodium (H.P.S.)	per month	\$4.17	\$5.00
175 Watt M.V.	per month	\$4.80	\$5.76
250 Watt M.V.	per month	\$6.79	\$8.15
250 Watt H.P.S.	per month	\$12.35	\$14.82
310 Watt H.P.S.	per month	n/a	\$16.18
400 Watt H.P.S.	per month	\$14.83	\$17.80
400 Watt M.V.	per month	\$9.62	\$11.55
700 Watt M.V.	per month	\$20.75	\$21.87
1,000 Watt M.V.	per month	n/a	\$29.27
100 Watt H.P.S. PTL	per month	\$9.31	\$11.18
175 Watt H.P.S. PTL	per month	\$9.26	\$11.11
<u>SPECIAL OUTDOOR LIGHTING</u>			
Customer Charge	per month	\$50.00	\$44.80
Cost per KWH	¢ per KWH	11.000	10.875
<u>69 KV SERVICE RATE</u>			
Demand charge (All KW of billing demand)	per KW	n/a	n/a
Energy charge (All KWH)	¢ per KWH	n/a	n/a

* The rates shown in this table are those in effect at October 1, 2010. The electric service rates for residential service, small general service, and the energy charge portion for large general service and industrial services are increased or decreased by a fuel adjustment allowance. The fuel adjustment allowance is computed annually based on the energy costs estimate (purchased power and fuel) per kilowatt hour.

Table 9, cont.

City of Columbia, Missouri

SCHEDULE OF ELECTRIC SERVICE RATES *
LAST TEN FISCAL YEARS

2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002
\$6.56	\$6.25	\$5.80	\$5.50	\$5.00	\$4.50	\$4.50	\$4.50
n/a	n/a	n/a	n/a	n/a	6.17	6.17	6.17
8.750	8.330	7.660	7.156	6.70	n/a	n/a	n/a
11.8100	11.2456	9.958	8.587	7.37	n/a	n/a	n/a
8.750	8.330	7.660	7.156	n/a	5.50	5.50	5.50
7.000	6.664	6.128	5.725	5.36	n/a	n/a	n/a
6.560	6.250	5.800	5.500	5.00	5.00	4.50	4.50
6.560	6.2475	5.362	5.009	4.69	4.69	4.89	4.89
\$6.56	\$6.25	\$5.80	\$5.50	\$5.00	\$4.50	\$4.50	\$4.50
\$8.85	\$8.43	\$7.82	\$7.50	\$7.00	\$6.34	\$6.34	\$6.34
n/a	n/a	n/a	n/a	n/a	6.19	6.19	6.19
8.453	8.050	7.726	7.215	6.74	n/a	n/a	n/a
10.9890	10.4650	10.0438	8.658	7.414	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	5.64	5.64	5.64
8.453	n/a	n/a	n/a	n/a	n/a	n/a	n/a
8.0300	7.6475	7.3397	6.854	6.403	n/a	n/a	n/a
8.453	n/a	n/a	n/a	n/a	n/a	n/a	n/a
6.7630	6.4400	6.5671	6.133	5.729	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	4.50	4.50	4.50
\$4.65	\$4.43	\$4.22	\$4.22	\$4.22	\$4.22	\$4.22	\$4.22
\$5.00	\$4.76	\$4.53	\$4.53	\$4.53	\$4.53	\$4.53	\$4.53
\$5.76	\$5.49	\$5.23	\$5.23	\$5.23	\$5.23	\$5.23	\$5.23
\$8.15	\$7.76	\$7.39	\$7.39	\$7.39	\$7.39	\$7.39	\$7.39
\$14.82	\$14.11	\$13.44	\$13.44	\$13.44	\$13.44	\$13.44	\$13.44
\$16.18	\$15.41	\$14.68	\$14.68	\$14.68	\$14.68	\$14.68	\$14.68
\$17.80	\$16.95	\$16.14	\$16.14	\$16.14	\$16.14	\$16.14	\$16.14
\$11.55	\$11.00	\$10.48	\$10.48	\$10.48	\$10.48	\$10.48	\$10.48
\$21.87	\$20.83	\$19.84	\$19.84	\$19.84	\$19.84	\$19.84	\$19.84
\$29.27	\$27.88	\$26.55	\$26.55	\$26.55	\$26.55	\$26.55	\$26.55
\$11.18	\$10.65	\$10.14	\$10.14	\$10.14	\$10.14	\$10.14	\$10.14
\$11.11	\$10.58	\$10.08	\$10.08	\$10.08	\$10.08	\$10.08	\$10.08
\$44.80	\$44.80	\$44.80	\$40.00	\$40.00	\$29.53	\$29.53	\$29.53
10.875	10.875	10.875	9.71	8.95	8.95	8.95	8.95
n/a	n/a	n/a	\$8.39	\$8.39	\$8.39	\$8.39	\$8.39
n/a	n/a	n/a	3.00	3.00	3.00	3.00	3.00

Table 10

City of Columbia, Missouri

SCHEDULE OF ELECTRIC SERVICE RATES *
LAST TEN FISCAL YEARS

	FY 2010 - 2011		FY 2009 - 2010	
	Summer	Nonsummer	Summer	Nonsummer
<u>LARGE GENERAL SERVICE RATE</u>				
Demand charge:				
First 25 KW or less billing demand	\$376.50	\$301.00	\$369.75	\$295.75
Additional KW	per KW \$15.06	\$12.04	\$14.79	\$11.83
Energy charge:				
All KW	¢ per KWH 5.50	4.780	5.40	4.697
<u>INDUSTRIAL SERVICE RATE</u>				
	Summer	Nonsummer	Summer	Nonsummer
Demand charge:				
First 750 KW or less billing demand	\$14,887.50	\$11,910.00	\$14,595.00	\$11,677.50
All additional KW	per KW \$19.85	\$15.88	\$19.46	\$15.57
Energy charge (All KWH)	¢ per KWH 4.434	3.800	4.347	3.728
<u>LARGE GENERAL SERVICE RATE</u>				
	FY 2005 - 2006		FY 2004 - 2005	
	Summer	Nonsummer	Summer	Nonsummer
Demand charge:				
First 25 KW or less billing demand	per KW \$292.75	\$234.25	\$270.00	\$216.00
Additional KW	per KW \$11.71	\$9.37	\$10.80	\$8.64
Energy charge:				
First 360 KWH per KW of billing demand	¢ per KWH 4.04	3.85	3.60	3.60
All additional KWH	¢ per KWH 4.04	3.85	3.60	3.60
<u>INDUSTRIAL SERVICE RATE</u>				
	Summer	Nonsummer	Summer	Nonsummer
Demand charge:				
First 750 KW or less billing demand	\$10,500.00	\$8,400.00	\$10,500.00	\$8,400.00
All additional KW	per KW \$14.00	\$11.20	\$14.00	\$11.20
Energy charge (All KWH)	¢ per KWH 2.66	2.66	2.66	2.66

* The rates shown in this table are those in effect at October 1, 2010. The electric service rates for residential service, small general service, and the energy charge portion for large general service and industrial services are increased or decreased by a fuel adjustment allowance. The fuel adjustment allowance is computed annually based on the energy costs estimate (purchased power and fuel) per kilowatt hour.

City of Columbia, Missouri

SCHEDULE OF ELECTRIC SERVICE RATES *
LAST TEN FISCAL YEARS

FY 2008 - 2009		FY 2007 - 2008		FY 2006 - 2007	
Summer	Nonsummer	Summer	Nonsummer	Summer	Nonsummer
\$360.75	\$288.50	\$343.50	\$274.75	\$316.50	\$253.25
\$14.43	\$11.54	\$13.74	\$10.99	\$12.66	\$10.13
5.22	4.54	4.97	4.32	4.58	3.98
Summer	Nonsummer	Summer	Nonsummer	Summer	Nonsummer
\$14,100.00	\$11,280.00	\$12,195.00	\$9,757.50	\$11,287.50	\$9,030.00
\$18.80	\$15.04	\$16.26	\$13.01	\$15.05	\$12.04
4.20	3.60	3.565	3.10	3.077	2.93
FY 2003 - 2004		FY 2002 - 2003		FY 2001 - 2002	
Summer	Nonsummer	Summer	Nonsummer	Summer	Nonsummer
\$175.00	\$140.00	\$175.00	\$140.00	\$175.00	\$140.00
\$7.00	\$5.60	\$7.00	\$5.60	\$7.00	\$5.60
4.00	4.00	4.00	4.00	4.00	4.00
3.20	3.20	3.20	3.20	3.20	3.20
Summer	Nonsummer	Summer	Nonsummer	Summer	Nonsummer
\$10,500.00	\$8,400.00	\$10,500.00	\$8,400.00	\$10,500.00	\$8,400.00
\$14.00	\$11.20	\$14.00	\$11.20	\$14.00	\$11.20
2.66	2.66	2.66	2.66	2.66	2.66

Table 11

City of Columbia, Missouri

SCHEDULE OF WATER SERVICE RATES
LAST TEN FISCAL YEARS

		2010-2011		2009-2010	
		Inside City	Outside City	Inside City	Outside City
		Limits	Limits	Limits	Limits
Residential*: All CCF	per 100 CCF	\$2.400	\$3.190	\$2.182	\$2.902
Commercial*: All CCF	per 100 CCF	\$2.222	\$2.955	\$2.020	\$2.687
Large Commercial*: All CCF	per 100 CCF	\$2.084	\$2.772	\$1.894	\$2.519
*Summer Surcharged Rate: (June, July, August, and September water use in excess of 100% average for nonsummer use)	per 100 CCF	\$3.360	\$4.470	\$3.055	\$4.063
		Minimum Charge Per Month		Minimum Charge Per Month	
		Inside City	Outside City	Inside City	Outside City
		Limits	Limits	Limits	Limits
Meter Size					
5/8 inch and 3/4 inch		\$6.96	\$9.26	\$6.33	\$8.42
1 inch		\$7.32	\$9.74	\$6.64	\$8.83
1 1/2 inch		\$10.78	\$14.34	\$8.60	\$11.44
2 inch		\$11.30	\$15.03	\$9.07	\$12.06
3 inch		\$19.40	\$25.32	\$19.04	\$25.32
4 inch		\$28.23	\$37.55	\$28.23	\$37.55
6 inch		\$54.28	\$72.91	\$54.28	\$72.19

		2005-2006		2004-2005	
		Inside City	Outside City	Inside City	Outside City
		Limits	Limits	Limits	Limits
Residential*: All CCF	per 100 CCF	\$1.628	\$2.165	\$1.533	\$2.040
Commercial*: All CCF	per 100 CCF	\$1.487	\$1.978	\$1.410	\$1.880
Large Commercial*: All CCF	per 100 CCF	\$1.368	\$1.819	\$1.295	\$1.720
*Summer Surcharged Rate: (June, July, August, and September water use in excess of 120% average for nonsummer use)	per 100 CCF	\$2.279	\$3.031	\$2.146	\$2.854
		Minimum Charge Per Month		Minimum Charge Per Month	
		Inside City	Outside City	Inside City	Outside City
		Limits	Limits	Limits	Limits
Minimum Charge Per Month					
Meter Size					
5/8 inch		\$5.40	\$7.18	\$5.00	\$6.65
1 inch		\$5.80	\$7.71	\$5.40	\$7.20
1 1/2 inch		\$8.35	\$11.11	\$7.75	\$10.30
2 inch		\$8.97	\$11.92	\$8.97	\$11.92
3 inch		\$21.96	\$29.20	\$21.96	\$29.20
4 inch		\$33.93	\$45.13	\$33.93	\$45.13
6 inch		\$67.86	\$90.26	\$67.86	\$90.26

Table 11, cont.

City of Columbia, Missouri

SCHEDULE OF WATER SERVICE RATES
LAST TEN FISCAL YEARS

2008-2009		2007-2008		2006-2007	
Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits
\$1.980	\$2.630	\$1.932	\$2.570	\$1.840	\$2.447
\$1.830	\$2.430	\$1.750	\$2.328	\$1.606	\$2.136
\$1.720	\$2.290	\$1.670	\$2.221	\$1.505	\$2.002
\$2.772	\$3.687	\$2.705	\$3.598	\$2.576	\$3.426
Minimum Charge Per Month		Minimum Charge Per Month		Minimum Charge Per Month	
Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits
\$5.86	\$7.79	\$5.40	\$7.18	\$5.40	\$7.18
\$6.15	\$8.18	\$5.80	\$7.71	\$5.80	\$7.71
\$7.96	\$10.59	\$7.85	\$10.44	\$8.35	\$11.11
\$8.40	\$11.17	\$8.29	\$11.03	\$8.97	\$11.92
\$17.63	\$23.45	\$17.45	\$23.21	\$21.96	\$29.20
\$26.14	\$34.77	\$25.89	\$34.43	\$33.93	\$45.13
\$50.26	\$66.85	\$47.84	\$63.63	\$67.86	\$90.26

2003-2004		2002-2003		2001-2002	
Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits
\$1.458	\$1.939	\$1.395	\$1.855	\$1.347	\$1.827
\$1.356	\$1.804	\$1.298	\$1.726	\$1.266	\$1.684
\$1.177	\$1.565	\$1.126	\$1.498	\$1.104	\$1.468
\$2.041	\$2.714	\$1.953	\$2.597	\$1.924	\$2.559
Minimum Charge Per Month		Minimum Charge Per Month		Minimum Charge Per Month	
Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits
\$4.57	\$6.07	\$4.37	\$5.81	\$4.00	\$5.32
\$4.84	\$6.44	\$4.63	\$6.16	\$4.26	\$5.67
\$6.97	\$9.27	\$6.67	\$8.87	\$6.30	\$8.38
\$8.97	\$11.92	\$8.58	\$11.41	\$8.21	\$10.92
\$21.96	\$29.20	\$21.01	\$27.94	\$21.01	\$27.94
\$33.93	\$45.13	\$32.47	\$43.19	\$32.47	\$43.19
\$67.86	\$90.26	\$64.94	\$86.37	\$64.94	\$86.37

Table 12

City of Columbia, Missouri

SCHEDULE OF SANITARY SEWER SERVICE RATES
LAST TEN FISCAL YEARS

		<u>2010-2011</u>	<u>2009-2010</u>	<u>2008-2009</u>	<u>2007-2008</u>	<u>2006-2007</u>
Residential and Commercial:						
Service Charge	per month	\$7.00	\$6.09	\$5.30	\$4.61	\$4.35
All Volume	per 100 cu. ft.	\$1.660	\$1.440	\$1.250	\$1.090	\$1.030
		<u>2005-2006</u>	<u>2004-2005</u>	<u>2003-2004</u>	<u>2002-2003</u>	<u>2001-2002</u>
Residential and Commercial:						
Service Charge	per month	\$4.22	\$4.06	\$3.90	\$3.73	\$3.73
All Volume	per 100 cu. ft.	\$1.000	\$0.962	\$0.925	\$0.886	\$0.886

Table 13

City of Columbia, Missouri

SCHEDULE OF MARKETABLE SECURITIES AND INVESTMENTS
SEPTEMBER 30, 2011

Identification Number and Issuing Institution	Purchase Date	Face Amount, or Shares	Maturity Date	Coupon Interest Rate	Cost	Fair Value 09/30/11
FHR 2647 A - 31394GBQ5	08/24/11	11,373,000	04/15/32	3.250%	1,527,567	1,517,036
FHR 2600MD - 31393PNE0	04/15/09	1,900,000	06/15/32	5.500%	1,448,927	1,434,958
FHR 2708 DG - 31394MAB6	12/12/07	1,283,000	07/15/32	5.500%	574,360	592,434
FNR 2003-18 PA - 31392JVZ9	11/18/09	25,750,000	07/25/32	4.000%	1,720,050	1,763,946
FHLMC REMIC 2698 CL BA - 31394LPM8	02/24/05	3,000,000	11/15/32	5.000%	281,639	281,277
GNR 2003-70 TE - 38374BG80	12/14/06	923,000	02/20/33	5.500%	865,499	941,041
FNMA SER 03-43 CL YA - 31393A5B9	10/29/10	5,500,000	03/25/33	4.000%	801,059	795,521
FHLMC REMIC 3419 AP - 31397R4P8	11/18/09	1,892,000	04/15/33	5.000%	1,992,808	1,971,710
FNR 2003-35 UM - 31393BM77	08/11/09	15,000,000	05/25/33	4.500%	2,202,180	2,317,199
FHR 2981 ND - 31395U6P1	06/17/09	1,860,000	06/15/33	5.000%	1,891,388	1,974,929
FHLMC ARM 1B0984 - 31336SUH9	02/23/04	2,000,000	07/01/33	3.295%	248,187	271,722
FHR 2877 PA - 31395HMH0	12/16/08	1,550,000	07/15/33	5.500%	561,354	588,404
FNMA ARM 742243 - 31402YS88	12/23/03	1,000,000	09/01/33	3.816%	112,483	110,385
FHLMC CO1647 - 31292HZL1	12/13/10	5,500,000	10/01/33	4.500%	2,305,446	2,332,186
FNMA 190346 - 31368HL35	05/13/10	5,695,000	12/01/33	5.500%	1,226,187	1,214,950
FHR 3778 - 3137A45W3	05/09/11	2,500,000	12/15/33	4.000%	2,415,724	2,584,996
FNMA 725206 - 31402CU75	12/13/10	7,800,000	02/01/34	5.500%	1,696,522	1,665,059
FNMA PL 777716 - 31404TAR4	04/26/04	2,000,000	04/01/34	3.750%	361,110	383,698
FNMA ARM 775566 - 31404QTX7	02/22/05	1,000,000	05/01/34	4.146%	164,593	171,270
FNMA PL 779076 - 31404UQ52	06/24/04	2,000,000	05/01/34	3.790%	415,224	472,438
GNMA REMIC 07-6 LC - 38375JGV1	08/26/09	3,000,000	06/20/34	5.500%	2,491,065	2,386,724
GNR 2004-86 TA - 38374JYF7	04/22/08	3,000,000	07/20/34	4.000%	669,832	712,827
FNMA 888283 - 31410F2Q7	05/21/09	3,000,000	08/01/34	5.000%	1,390,138	1,402,757
FHR 2881 AE - 31395J5C6	03/24/09	5,080,000	08/15/34	5.000%	1,337,702	1,353,914
FHLMC REMIC 31-48 CL CK - 31396JTZ8	11/21/06	2,095,909	08/15/34	6.000%	2,112,283	2,252,893
FHR 2963 BK - 31395TLX0	07/01/11	5,000,000	09/15/34	4.000%	1,484,253	1,478,624
FHR 2963 BP - 31395TM35	12/19/06	2,160,000	09/15/34	5.000%	584,230	649,151
FHR 2991 EG - 31395UWS6	various	4,000,000	11/15/34	5.500%	1,172,541	1,224,592
FHR 3438A - 31397RZY5	08/13/08	950,000	12/15/34	5.000%	267,488	287,125
FHLMC ARM 1B2795 - 3128JMTH4	03/23/05	2,000,000	03/01/35	4.446%	461,588	484,423
FHR 2942 LA - 31395PHQ8	08/13/09	2,250,000	03/15/35	5.000%	705,278	754,547
FNR 2005-29 AU - 31394DHY9	03/28/08	2,000,000	04/25/35	4.500%	573,440	662,062
FHR 3000 JH - 31395WPD3	08/01/05	2,000,000	06/15/35	5.000%	196,593	204,686
FHR 3289 ND - 31397FP48	05/18/09	2,000,000	06/15/35	5.500%	2,096,250	2,207,120
FHR 3002 CA - 31395WLH8	01/25/08	1,760,000	07/15/35	5.000%	100,454	115,168
FHLMC REMIC 3287 PM - 31397G6P0	08/12/09	2,000,000	10/15/35	6.000%	1,615,399	1,602,285
FNR 2005-83 OG - 31394FUH6	02/27/07	2,960,645	10/25/35	5.000%	547,081	637,439
SARM 05-22 1A2 - 863579F52	12/07/05	980,772	12/25/35	5.250%	287,514	186,676
GNMA REMIC 09-93 UN - 38376KAL5	10/30/09	3,000,000	02/20/36	5.000%	2,208,612	2,175,882
FHLMC PL G02252 - 3128LXQD5	06/13/11	6,500,000	07/01/36	5.500%	1,987,092	1,970,996
GNMA REMIC 08-69 - 38375XRA4	03/18/09	6,000,000	07/20/36	5.750%	5,391,915	5,178,896
FNR 2008-41 MD - 31397LLU1	03/09/10	3,000,000	11/25/36	4.500%	1,693,286	1,791,166
FNMA 888131 - 31410FVY8	07/13/09	3,615,000	02/01/37	5.500%	1,155,611	1,200,514
FHR 3283 - 31397EXX8	10/29/09	3,457,300	02/15/37	5.000%	966,001	933,651
FNMA PL 888823 - 31410GPG2	09/14/09	4,325,000	03/01/37	5.500%	1,470,057	1,471,520
FHLMC G03035 - 3128M4V42	05/12/11	5,360,000	07/01/37	5.500%	1,941,569	1,933,735
FNMA CI 888707 - 31410GKU6	05/12/09	1,550,000	10/01/37	7.500%	420,583	395,499
FHLMC PL 783263 - 31349UTU2	06/24/08	1,500,000	05/01/38	4.500%	396,991	509,887
FHLMC ARM 783264 - 31349UTV0	11/24/08	2,000,000	05/01/38	4.460%	555,918	538,103
FHR 3448 AG - 31397TJ37	03/19/09	3,100,000	05/15/38	5.000%	1,624,506	1,643,696
GNR 2008-82A - 38375YEK4	10/14/08	2,000,000	09/20/38	6.000%	521,730	516,557
FNMA PL AE0484 - 31419ARE9	06/13/11	2,500,000	12/01/38	5.500%	2,066,384	2,067,274
GNR 2009-93 PB - 38376KLZ2	08/26/11	4,000,000	12/16/38	3.000%	2,695,393	2,697,285
GNMA 4461M - 36202E5W5	11/18/10	2,050,000	06/20/39	4.500%	1,611,472	1,621,933
FNR 2009-50 MJ - 30396QMC0	08/22/11	3,100,000	06/25/39	4.000%	2,237,137	2,268,760
FNR 2009-78 BM - 31398FLA7	03/25/11	2,500,000	06/25/39	4.000%	1,806,456	1,848,603
GNR 2009-58 AC - 38375D3D8	03/16/11	3,000,000	07/20/39	4.000%	1,803,536	1,868,087
GNMA SER 2010-04 JC - 38376T2H4	12/16/10	2,350,000	08/16/39	3.000%	1,729,364	1,712,312
GNMA REMIC 09-093 HB - 38376KKX8	10/30/09	2,000,000	09/20/39	3.000%	1,084,350	1,105,184
FHR 3819 - 3137A8LS5	05/27/11	2,000,000	06/15/40	4.000%	2,018,316	2,065,312
FNR 2010-87 PJ - 31398TZJ3	05/24/11	2,000,000	06/25/40	3.500%	1,746,257	1,800,020
FNR 2010-133 GB - 31398N7B4	07/06/11	2,635,000	10/25/40	2.500%	2,332,863	2,452,110
FHR 3759 VM - 3137A2UE9	02/18/11	2,000,000	11/15/40	4.250%	1,854,700	1,941,496
FHR 3798 PQ - 3137A6AM4	06/16/11	2,000,000	01/15/41	3.500%	1,827,617	1,871,476
FHR 3816 HN - 3137A6R46	03/30/11	2,000,000	01/15/41	4.500%	1,381,189	1,448,563
Total U. S. Government and Agency Securities					168,522,367	172,045,316
Miscellaneous Securities:						
San Bernardino City CA - 796825AW7	11/07/96	500,000	08/01/15	0.000%	126,255	419,985
UBS Select Prime Preferred Fund	various	78,269,483	-	-	70,098,511	70,098,511
Total Miscellaneous Securities					70,224,766	70,518,496
Total Pooled Cash Marketable Securities					\$ 238,747,133	\$ 242,563,812

Table 13

City of Columbia, Missouri

SCHEDULE OF MARKETABLE SECURITIES AND INVESTMENTS
SEPTEMBER 30, 2011

Identification Number and Issuing Institution	Purchase Date	Face Amount, or Shares	Maturity Date	Coupon Interest Rate	Cost	Fair Value 09/30/11
SELF-INSURANCE RESERVE:						
Mutual Funds:						
UBS Select Treasury Preferred Fund	various	4,860,182	—	—	4,860,182	4,860,182
Total Mutual Funds					4,860,182	4,860,182
Total Self-Insurance Reserve					\$ 4,860,182	\$ 4,860,182
POST-EMPLOYMENT HEALTH FUND:						
Mutual Funds:						
NW Money Market Prime	various	1,465,167	—	—	1,465,167	1,465,167
Total Mutual Funds					1,465,167	1,465,167
Total Post Employment Health Fund					\$ 1,465,167	\$ 1,465,167
POLICE AND FIREFIGHTERS' RETIREMENT FUND:						
Corporate Bonds:						
McDonnell Doug Corp 580169AM2	02/07/01	150,000	04/01/12	9.750%	188,250	156,763
Genworth Life Instl - 37251EAE7	12/09/09	2,000,000	05/03/13	5.875%	2,007,500	2,030,260
New Brunswick Province - 642866DV6	12/07/93	250,000	08/15/13	6.750%	244,537	277,647
Bank of America Corp Notes - 06050WBR5	08/27/09	1,000,000	08/15/17	6.000%	1,000,000	949,360
Pitney Bowes Inc GLBL - 72447WAA7	04/20/10	750,000	05/15/18	4.750%	764,625	751,740
Petro Canada LTD - 716442AC2	02/14/01	250,000	06/30/18	9.700%	315,000	327,205
Wal-Mart Stores - 931142CP6	01/29/10	1,000,000	02/01/19	4.125%	998,830	1,118,160
GE Capital Internetes - 36966R4A1	08/20/09	2,000,000	08/15/20	5.850%	2,000,000	2,119,800
Morgan Stanley Mtn Unrated - 61745E5N7	09/29/09	2,000,000	09/29/24	5.000%	2,000,000	1,949,900
MBIA Inc. - 55262CAF7	02/08/00	500,000	10/01/28	6.625%	440,220	346,020
Bellsouth Cap Fndg - 079857AH1	02/26/10	1,000,000	02/15/30	7.875%	1,171,200	1,342,700
JP Morgan 2004-S2 CO 2A8 466247JE4	02/02/05	2,000,000	11/25/34	5.250%	380,066	370,395
CS First Boston REMIC - 225470EX7	01/11/06	500,000	11/25/35	5.500%	474,591	653,563
Total Corporate Bonds					11,984,819	12,393,513
Common Stock and Mutual Funds:						
Fidelity Contra Fund	various	114,096	N/A	—	4,204,742	5,341,906
Fidelity Blue Chip Growth Fund	various	66,715	N/A	—	1,872,891	2,091,630
Fidelity Value Fund	various	14,793	N/A	—	717,720	738,602
American Century Ultra Fund	various	110,813	N/A	—	2,664,694	2,091,859
American Century Value Fund	various	518,228	N/A	—	4,012,058	3,190,894
American Century Int'l Growth	various	174,380	N/A	—	895,001	882,398
Invesco Constellation Fund	various	60,819	N/A	—	944,480	772,391
Invesco Global Sml & Mid Cap Growth	various	94,795	N/A	—	1,670,874	1,525,458
Duff & Phelps Utilits Stk - 26432410	various	31,208	N/A	—	372,314	344,050
Standard & Poors Dep Receipts-78462F1	various	37,300	N/A	—	1,739,968	4,220,495
Vanguard Strategic Equity	various	258,219	N/A	—	6,060,050	5,945,736
Allianz Fixed Income FXIMX	09/29/11	84,210	N/A	—	879,152	879,152
Allianz Fixed Income FXICX	09/29/11	71,080	N/A	—	877,127	874,995
Common Stock	various	326,620	N/A	—	9,858,107	9,622,035
Total Common Stock and Mutual Funds					36,769,178	38,521,601
U.S. Government and Agency Securities:						
US Treas Bond - 912828RD4	09/28/11	3,500,000	08/31/13	0.125%	3,493,574	3,491,390
US Tsy Note - 912828RF9	09/28/11	3,475,000	08/31/16	1.000%	3,496,854	3,483,688
US Tsy Note - 912828RC6	09/28/11	1,950,000	08/15/21	2.125%	2,001,873	1,984,437
US Treas Bond - 912810QS0	09/28/11	425,000	08/15/41	3.750%	497,416	494,794
Total U.S. Government and Agency Securities					9,489,717	9,454,309
Miscellaneous Securities:						
Las Vegas Nev CTFS City Hall - 517705AP4	12/23/09	2,000,000	09/01/39	7.800%	2,031,500	2,351,820
Money Market Funds	various	16,989,208	—	—	16,989,208	16,989,208
Total Miscellaneous Securities					19,020,708	19,341,028
Asset-Backed Securities:						
Freddie Mac Bond - 3137EACQ0	09/27/11	335,000	12/28/12	6.250%	336,581	336,240
FFCB Bond - 31331KXA3	09/27/11	335,000	09/06/13	3.750%	335,064	334,608
FHLB NTS - 313373JR4	09/27/11	335,000	05/28/14	1.375%	342,852	341,868
Fannie Mae Nts - 3135G0BA0	09/27/11	335,000	04/11/16	2.375%	353,951	353,103
Fannie Mae Bond - 3135G0CM3	09/27/11	335,000	09/28/16	1.250%	335,178	334,374
FHLMC 260794CP - 3134113B4	08/24/87	500,000	10/01/16	8.000%	523	1,212
FHLB Bond - 3133SMQ87	09/27/11	335,000	11/17/17	5.000%	403,776	403,353
Freddie Mac Nts - 3137EABP3	09/27/11	335,000	06/13/18	4.875%	402,111	400,633
FHLMC PL G11503 - 31283KU48	09/28/11	500,000	01/01/19	5.000%	128,590	126,939
Freddie Mac Nts - 3137EACA5	09/27/11	335,000	03/27/19	3.750%	379,558	378,453
CWHL 2004-J9 4A1 - 12669GFN6	06/05/07	2,200,000	11/25/19	5.250%	257,992	291,125
GNMA REMIC 03-34 PC - 38373QHJX2	04/11/06	1,500,000	04/16/33	5.500%	457,586	493,524
CSMC 2006-C3 A-M - 22545DAF4	09/27/11	100,000	06/15/38	6.011%	88,781	90,913
FHLMC PL G06685 - 3128M8XN9	09/28/11	201,434	03/01/39	6.500%	224,410	224,410
WFRBS 2011-C3 - 92935VAQ1	09/28/11	50,000	03/15/44	5.335%	41,063	41,063
Total Asset-Backed Securities					4,088,016	4,151,818
Total Police and Firefighters' Investment					\$ 81,352,438	\$ 83,862,269
Total Restricted/Unrestricted Marketable Securities and Investments					\$ 326,424,920	\$ 332,751,430

Table 14

City of Columbia, Missouri

FEDERAL AND STATE GRANTS
SEPTEMBER 30, 2011

<u>Public Safety:</u>		
Police	\$ 351,719	
Emergency Management/JCIC	325,683	
Total Public Safety		\$ 677,402
<u>Transportation:</u>		
Railroad	17,299	
GIS	20,865	
Parking	3,069	
Interactive Historical Map	3,660	
Planning	213,674	
Street Construction	1,507,932	
Non Motorized Transportation Projects	2,578,268	
Airport	1,265,394	
Public Transportation	2,439,981	
Total Transportation		8,050,142
<u>Health and Environment:</u>		
Health Department	1,591,275	
CDBG/HOME	1,640,043	
Sustainability Grant	262,045	
Electric Grant	1,166	
Solid Waste	550,959	
Total Health and Environment		4,045,488
<u>Personal Development:</u>		
Trails Grants	453,391	
Convention and Tourism	50,462	
Historical Records	5,000	
Non Motorized Trails	1,444,096	
Cultural Affairs	32,644	
Parks & Recreation	16,739	
Homelessness Prevention Grant	82,664	
Youth At Risk	8,630	
Emergency Shelter Grant	14,346	
Total Personal Development		2,107,972
Total Federal and State Grants		\$ 14,881,004

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Table 15

City of Columbia, Missouri

TAXABLE SALES BY CATEGORY
LAST TEN FISCAL YEARS

	2002	2003	2004	2005
Agriculture, forestry, fishing	\$3,446,797	\$3,565,672	\$4,035,283	\$3,557,714
Construction	2,544,766	3,045,869	2,774,826	2,921,474
Finance, insurance, real estate	2,346,797	2,299,664	2,143,978	2,399,035
Manufacturing	7,320,475	6,312,512	6,357,584	7,513,710
Public Administration	90,775,378	75,454,919	82,471,111	86,644,559
Retail Trade	1,145,595,684	1,178,064,563	1,261,112,802	1,343,781,881
Services	91,598,828	93,902,544	95,551,354	101,378,564
Transportation, communications, utilities	109,981,222	139,451,170	146,630,149	157,193,070
Unclassified Establishments	125,859,239	128,535,049	127,888,860	129,507,027
	<u>\$1,579,469,186</u>	<u>\$1,630,631,962</u>	<u>\$1,728,965,947</u>	<u>\$1,834,897,034</u>

Source: State of Missouri Department of Revenue

Note: Data subject to change as more precise numbers become available.

City Direct Sales Tax Rates

General	1.00%	1.00%	1.00%	1.00%
Transportation	0.50%	0.50%	0.50%	0.50%
Capital Improvement Plan	0.25%	0.25%	0.25%	0.25%
Parks	0.25% *	0.25%	0.25%	0.25%
Total City Direct Sales Tax Rate	2.00%	2.00%	2.00%	2.00%

* The Parks Sales Tax commenced 04/01/2001.

Table 15, cont

City of Columbia, Missouri

**TAXABLE SALES BY CATEGORY
LAST TEN FISCAL YEARS**

2006	2007	2008	2009	2010	2011
\$3,725,947	\$3,687,379	\$3,685,015	\$3,626,033	\$3,647,342	\$3,683,940
4,498,851	5,261,263	6,606,885	6,131,852	8,294,821	9,526,833
1,215,588	1,129,272	1,230,495	1,595,983	1,722,804	1,600,294
8,069,945	8,667,005	9,238,611	8,544,214	8,431,478	7,463,650
89,066,656	93,453,319	94,959,107	88,272,968	81,990,610	83,918,013
1,467,637,821	1,448,257,430	1,448,974,134	1,419,943,592	1,437,334,802	1,451,605,067
107,841,992	110,137,975	115,501,385	107,024,613	108,249,855	110,045,747
174,546,592	186,302,778	197,916,420	201,972,107	209,080,335	199,376,707
127,411,231	129,339,459	117,011,804	99,896,413	121,120,314	134,263,295
<u>\$1,984,014,623</u>	<u>\$1,986,235,880</u>	<u>\$1,995,123,856</u>	<u>\$1,937,007,775</u>	<u>\$1,979,872,361</u>	<u>\$2,001,483,546</u>

City Direct Sales Tax Rates, cont.

1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

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Table 16

City of Columbia, Missouri

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Governmental Activities					
Fiscal Year Ended	Certificates of Participation	Capital Lease Obligations	General Obligation Bonds	Special Obligation Bonds	Special Obligation Notes
2011	-	-	-	40,339,747	11,175,289
2010	-	-	-	43,948,910	995,000
2009	-	-	-	46,693,075	1,950,000
2008	-	-	-	49,102,240	2,865,000
2007	-	-	-	24,412,957	3,740,000
2006	-	-	-	26,629,413	-
2005	3,040,000	7,000,000	-	-	-
2004	3,989,500	7,000,000	-	-	-
2003	4,874,500	7,000,000	-	-	-
2002	5,696,500	7,000,000	2,125,000	-	-

Business-Type Activities								
Fiscal Year Ended	Certificates of Participation	Special Obligation Bonds	Water & Electric Bonds	Sewer Bonds	Parking Bonds	Total Government	Percentage of Per Capita Personal Income ^a	Per Capita ^a
2011	-	93,208,599	151,238,623	56,589,896	-	352,552,154	n/a %	n/a
2010	-	94,857,956	82,023,648	33,207,073	-	255,032,587	4.05 %	2,579
2009	-	96,437,311	86,066,307	28,357,275	-	259,503,968	4.31 %	2,664
2008	-	84,885,220	73,322,485	19,292,241	-	229,467,186	4.16 %	2,388
2007	-	64,705,863	77,104,088	18,684,800	-	188,647,708	3.57 %	1,993
2006	-	66,116,207	80,725,692	18,932,695	-	192,404,007	3.78 %	2,064
2005	2,457,114	14,399,066	81,327,295	20,089,049	2,633,043	130,945,567	2.69 %	1,426
2004	6,815,151	15,207,176	77,325,151	21,215,403	2,729,913	134,282,294	2.96 %	1,495
2003	8,738,130	15,985,286	63,592,285	21,465,951	2,821,782	124,477,934	2.94 %	1,408
2002	10,500,000	16,820,000	73,765,000	18,730,000	3,050,000	137,686,500	3.39 %	1,583

n/a = information not available for current year

^a See Table 26 for personal income and population data

City of Columbia, Missouri

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year Ended	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value ^a	Net Bonded Debt Per Capita ^b
2002	700,000	1,190,238	(490,238)	(0.05) %	(5.55)
2003	0	484,393	0	0.00 %	0.00
2004	0	493,497	0	0.00 %	0.00
2005	0	503,611	0	0.00 %	0.00
2006	0	0	0	0.00 %	0.00
2007	0	0	0	0.00 %	0.00
2008	0	0	0	0.00 %	0.00
2009	0	0	0	0.00 %	0.00
2010	0	0	0	0.00 %	0.00
2011	0	0	0	0.00 %	0.00

^a See Table 5 for property value data

^b Population data can be found in Table 26

City of Columbia, Missouri

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2011

<u>Jurisdiction</u>	<u>Bond Issues Outstanding</u>	<u>Amount Available Debt Service Funds</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Columbia (a)</u>	<u>Amount Applicable to City of Columbia</u>
City of Columbia	\$0	\$0	\$0	0.0%	\$0
Columbia School District	192,967,000	32,400,994	160,566,006	81.9%	131,582,746
Boone County	2,432,347	126,095	2,306,252	71.6%	1,651,975
Totals	<u>\$195,399,347</u>	<u>\$32,527,089</u>	<u>\$162,872,258</u>		<u>\$133,234,720</u>

Source: Assessed value data used to estimate applicable percentages provided by the Boone County Collectors Office. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognized that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Table 19

City of Columbia, Missouri

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Assessed value (2011)				<u><u>\$1,674,753,034</u></u> *
Constitutional debt limit **				\$334,950,607
(20% assessed value)				
Total bonded debt			\$206,392,553	
Less:				
Water and Electric Utility Bonds	\$149,830,000			
Sanitary Sewer Utility Bonds	56,562,553		<u>206,392,553</u>	
Total amount of debt applicable to debt limit				<u>0</u>
Legal debt margin				<u><u>\$334,950,607</u></u>

	Fiscal Year			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Debt limit	\$210,953,913	\$223,338,535	\$231,727,857	\$271,166,022
Total net debt applicable to limit	\$2,125,000	\$0	\$0	\$0
Legal debt margin	\$208,828,913	\$223,338,535	\$231,727,857	\$271,366,022
Total net debt applicable to the limit as a percentage of debt limit	1.01%	0.00%	0.00%	0.00%

* All tangible property.

**Section 95.115 of the 1978 Missouri Revised Statutes permits any county or city, by vote of two-thirds of qualified electors voting thereon, to incur additional indebtedness for city purposes not to exceed 5 percent of the taxable tangible property therein, as shown by the last assessment.

Section 95.120 of the 1978 Missouri Revised Statutes permits any county or city, by a vote of two-thirds of qualified electors voting thereon, to incur additional indebtedness for city purposes not to exceed 5 percent of the taxable tangible property therein, as shown by the last assessment.

Sections 95.125 and 95.130 of the 1978 Missouri Revised Statutes provide that any city may become indebted not exceeding in the aggregate an additional 10 percent for the purpose of acquiring right-of-ways, constructing, extending, and improving streets and avenues and/or sanitary or storm sewer system, and an additional 10 percent for purchasing or construction of waterworks, electric, or other light plants, provided the total general obligation indebtedness of the city does not exceed 20 percent of the assessed valuation.

Table 19, cont.

City of Columbia, Missouri

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$293,218,030	\$312,992,986	\$324,507,278	\$328,051,141	\$329,972,141	\$334,950,607
\$0	\$0	\$0	\$0	\$0	\$0
\$293,218,030	\$312,992,986	\$324,507,278	\$328,051,141	\$329,972,141	\$334,950,607
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Table 20

City of Columbia, Missouri

WATER AND ELECTRIC UTILITY REVENUE BOND COVERAGE (a)
LAST TEN FISCAL YEARS

Fiscal Year Ended	WATER AND ELECTRIC UTILITY REVENUE / REFUNDING BONDS (c)						Revenue Bond Coverage
	Operating Revenue (d)	Operating Expenses	Net Revenue	Principal	Interest (b)	Total	
2002	73,119,302	54,840,910	18,278,392	3,035,000	2,494,394	5,529,394	3.31
2003	76,094,540	58,444,470	17,650,070	3,410,000	3,160,451	6,570,451	2.69
2004	79,237,016	62,559,631	16,677,385	3,685,000	2,992,679	6,677,679	2.50
2005	92,127,894	72,052,155	20,075,739	3,870,000	3,449,264	7,319,264	2.74
2006	105,384,237	85,904,487	19,479,750	575,000	3,308,873	3,883,873	5.02
2007	116,758,098	84,055,177	32,702,921	3,595,000	4,332,137	7,927,137	4.13
2008	121,609,839	90,723,595	30,886,244	3,755,000	5,079,238	8,834,238	3.50
2009	132,415,953	99,094,026	33,321,927	3,875,000	6,125,758	10,000,758	3.33
2010	142,829,724	104,960,352	37,869,372	4,020,000	6,206,577	10,226,577	3.70
2011	151,526,817	107,813,998	43,712,819	4,175,000	6,354,157	10,529,157	4.15

(a) Revenue bonds and their related interest are payable solely from the revenues derived from the operation of the enterprise owned by the City. The taxing power of the City is not pledged to secure payment of the bonds and interest.

(b) Interest payments made in the fiscal year.

(c) This includes Special Obligation Bonds, Series 2006C and 2008A, which are to be treated as a water and electric utility revenue bond issue.

(d) Includes investment and miscellaneous revenue in fiscal year 2009 and thereafter.

Table 21

City of Columbia, Missouri

SANITARY SEWER UTILITY REVENUE BOND COVERAGE (a)
LAST TEN FISCAL YEARS

Fiscal Year Ended	SANITARY SEWER SYSTEM REVENUE BONDS (d)						Revenue Bond Coverage
	Operating Revenue (c)	Operating Expenses	Net Revenue	Principal	Interest (b)	Total	
2002	7,957,444	5,098,788	2,858,656	705,000	1,069,619	1,774,619	1.61
2003	7,923,672	5,501,961	2,421,711	825,000	795,719	1,620,719	1.49
2004	8,708,998	5,721,756	2,987,242	1,040,000	1,038,747	2,078,747	1.44
2005	9,378,918	5,750,876	3,628,042	1,245,000	994,648	2,239,648	1.62
2006	9,915,355	6,221,458	3,693,897	1,280,000	1,126,455	2,406,455	1.53
2007	10,313,861	6,395,635	3,918,226	1,590,000	1,281,897	2,871,897	1.36
2008	10,333,579	6,596,832	3,736,747	1,640,000	1,290,111	2,930,111	1.28
2009	11,645,980	7,637,179	4,008,801	1,765,000	1,256,537	3,021,537	1.33
2010	13,536,909	7,576,703	5,960,206	1,805,000	1,520,655	3,325,655	1.79
2011	15,430,156	7,850,327	7,579,829	1,875,000	1,911,364	3,786,364	2.00

(a) Revenue bonds and their related interest are payable solely from the revenues derived from the operation of the enterprise owned by the City. The taxing power of the City is not pledged to secure payment of the bonds and interest.

(b) Interest payments made during the fiscal year.

(c) Includes investment revenue in fiscal year 2002 and thereafter.

(d) This includes Special Obligation Bonds, Series 2001A and Special Obligation Bonds, Series 2006A, which are to be treated as sewer system revenue bond issues.

Table 22

City of Columbia, Missouri

PARKING REVENUE BOND COVERAGE (a)
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended</u>	<u>Operating Revenue</u>	<u>Operating Expenses</u>	<u>Net Revenue</u>	<u>Principal</u>	<u>Interest (b)</u>	<u>Total</u>	<u>Revenue Bond Coverage</u>
2002	1,694,281	738,795	955,486	85,000	171,609	256,609	3.72
2003	1,707,745	650,768	1,056,977	90,000	167,517	257,517	4.10
2004	1,675,667	682,007	993,660	95,000	163,052	258,052	3.85
2005	1,641,734	710,366	931,368	100,000	158,224	258,224	3.61
2006	1,657,637	710,577	947,060	0	0	0	n/a (c)
2007	1,562,110	695,501	866,609	0	0	0	n/a (c)
2008	1,593,938	886,913	707,025	0	0	0	n/a (c)
2009	1,737,094	731,207	1,005,887	0	0	0	n/a (c)
2010	1,796,627	734,020	1,062,607	0	0	0	n/a (c)
2011	2,038,935	929,364	1,109,571	0	0	0	n/a (c)

(a) Revenue bonds and their related interest are payable solely from the revenues derived from the operation of the enterprise owned by the City. The taxing power of the City is not pledged to secure payment of the bonds and interest.

(b) Interest payments made during the fiscal year.

(c) The 95 Parking Revenue Bonds were refunded with the Special Obligation Bonds, Series 2006A issue.

Table 23

City of Columbia, Missouri

PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS
LAST TEN FISCAL YEARS

Fiscal Year	Commercial Construction (a)		Residential Construction (a)		Bank Deposits (in thousands)	Estimated Property Value
	Number of Permits	Value	Number of Permits	Value		
2002	49	21,159,267	857	130,973,183	1,282,811 (b)	4,251,424,537
2003	75	68,302,290	1,069	173,903,598	1,735,000 (c)	4,450,247,350
2004	81	61,239,547	1,429	206,711,394	2,021,000 (c)	4,648,539,062
2005	96	65,891,830	1,329	214,502,676	2,198,000 (c)	4,853,192,612
2006	96	58,918,770	1,897	221,396,606	2,345,000 (c)	5,713,406,342
2007	68	89,104,177	730	126,755,467	2,430,000 (c)	6,141,975,733
2008	58	51,336,697	408	69,590,716	2,487,000 (c)	6,548,424,667
2009	42	90,871,538	355	55,436,649	2,702,000 (c)	6,785,163,254
2010	32	15,776,890	374	69,360,630	2,890,000 (c)	6,830,813,429
2011	33	20,508,272	424	112,250,462	3,005,000 (c)	6,899,642,329

(a) Source: City of Columbia Public Works Department.

(b) Source: Bank Call Reports.

(c) Source: FDIC Summary of Deposits

Table 24

City of Columbia, Missouri

**LARGEST ELECTRIC UTILITY CUSTOMERS
SEPTEMBER 30, 2011**

Customer	Billed kWh	Billed Revenue
Columbia Foods	29,152,815	\$ 2,136,345
Boone Hospital Center	28,494,653	2,244,375
VA Hospital	18,277,061	1,486,108
3-M Company	16,632,212	1,124,516
Gates Rubber	14,945,192	1,261,981
Quaker Oats	14,563,895	1,162,540
University of Missouri - Columbia Regional Hospital	10,834,249	861,724
GGP Ltd-Columbia Mall	9,482,265	873,993
Shelter Insurance	8,540,906	683,017
PW Eagle	8,514,503	665,339
	159,437,751	\$ 12,499,938

Table 25

City of Columbia, Missouri

**LARGEST WATER UTILITY CUSTOMERS
SEPTEMBER 30, 2011**

<u>Customer</u>	<u>Billed CCF</u>	<u>Billed Revenue</u>
Columbia Foods	415,922	\$ 920,698
Boone Hospital Center	53,148	129,966
VA Hospital	45,644	114,371
University of Missouri - Columbia Regional Hospital	32,455	78,246
3M Company	24,187	55,467
State Farm	21,904	64,494
Best Men LLC	21,522	47,843
Linen King	17,317	42,948
Rock Bridge High School	16,852	41,417
PW Eagle	15,506	33,849
	<u>664,457</u>	<u>\$ 1,529,299</u>

Table 26

City of Columbia, Missouri

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Estimated Population</u> ^d	<u>Personal Income</u> ^a	<u>Per Capita Personal Income</u> ^a	<u>Median Age</u> ^d	<u>Unemployment Rate</u> ^c
2010	98,893	6,293,000 ^b	36,241 ^b	26.5	6.2%
2009	97,403	6,025,000	36,241	28.2	5.1%
2008	96,093	5,521,000	33,604	31.8	4.4%
2007	94,645	5,283,000	32,548	28.1	3.6%
2006	93,219	5,087,000	32,608	29.7	3.3%
2005	91,814	4,865,759	31,959	35.2	3.9%
2004	89,803	4,537,251	30,019	35.2 [*]	2.5%
2003	88,423	4,230,922	28,197	30.8	2.0%
2002	87,003	4,056,814	27,293	29.9	1.8%
2001	86,081	3,959,699	26,914	26.8 ^{**}	1.7%

^{*}2004 - Sales and Marketing Management Survey included the Jefferson City data with Columbia data.

^{**}Census data listed Columbia's average population at 26.8 - For FY 2002, we utilized the results from the "Sales and Marketing Management" magazine.

^a Columbia is reported as a Metropolitan Statistical Area (MSA) which includes Boone and Howard Counties
Source: US Department of Commerce, Bureau of Economic Analysis.

^b Bureau of Economic Analysis preliminary information; per capita income updated numbers not available for 2010

^c City of Columbia Annual Budget adopted October 1, 2011

^d City of Columbia Financial Trends Manual, Community Needs and Resources 2010

Table 27

City of Columbia, Missouri
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

Employer	2011			2002		
	Number of Full time, benefited Employees	Rank	Percentage of Total City Employment**	Number of Full time, benefited Employees	Rank	Percentage of Total City Employment**
University of Missouri - Columbia	8,630	1	9.79%	14,970	1	18.06%
University Hospital and Clinics	4,279	2	4.86%	5,501	2	6.64%
Columbia Public Schools	2,140	3	2.43%	2,400	3	2.90%
Boone Hospital Center	1,647	4	1.87%	2,034	4	2.45%
City of Columbia	1,286	5	1.46%	1,106	7	1.33%
US Dept of Veterans Affairs	1,250	6	1.42%	n/a	n/a	n/a
Shelter Insurance Co	1,171	7	1.33%	1,048	8	1.26%
MBS Textbook Exchange	1,084	8	1.23%	848	9	1.02%
State Farm	1,043	9	1.18%	n/a	n/a	n/a
Joe Machens	613	10	0.70%	n/a	n/a	n/a
3M	n/a	n/a	n/a	825	10	1.00%
US Government	n/a	n/a	n/a	1,305	5	1.57%
State of Missouri	n/a	n/a	n/a	1,111	6	1.34%

Note: Information from Columbia Regional Economic Development Inc.

**information from the US Bureau of Labor Statistics-2010 annual

Table 28

City of Columbia, Missouri

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Full-time Equivalent Employees as of September 30									
	2011*	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental Activities										
General Administrative										
City Clerk and Elections	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City Manager	7.00	8.00	9.00	8.00	8.00	7.60	6.60	6.60	6.60	7.60
Finance (incl. Risk Management)	42.25	41.25	41.25	40.25	36.25	38.25	37.25	36.25	36.25	35.25
Human Resources	9.00	9.00	9.00	9.00	8.00	8.00	8.00	8.00	8.00	8.00
Law	12.50	13.50	9.00	10.00	9.00	9.00	9.00	8.00	8.00	8.00
**Neighborhood Services	-	-	2.25	2.25	2.25	-	-	-	-	-
Convention & Tourism	9.00	9.00	9.00	9.00	7.00	7.00	7.00	7.00	7.00	6.00
Public Safety										
Police	192.00	191.00	190.00	186.00	183.00	181.00	178.00	175.00	173.00	169.00
Fire	136.00	140.00	140.00	138.00	135.00	132.00	129.00	128.00	128.00	128.00
Municipal Court	12.00	13.00	9.00	9.00	8.90	8.90	8.90	7.90	7.90	6.90
Emergency Mgmt & Comm	35.75	33.75	32.75	32.75	32.75	32.75	30.75	29.75	29.75	29.75
Health & Environment										
Health and Human Services	62.35	62.35	63.35	61.10	60.75	57.75	58.30	58.55	55.35	53.85
**Planning (incl. CDBG)	-	-	12.50	12.50	12.00	12.00	12.00	12.00	12.00	12.00
Community Development	41.58	34.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Economic Development	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Cultural Affairs	2.75	2.75	2.75	2.75	2.75	3.00	3.00	3.00	3.00	3.00
Parks & Recreation	43.50	43.50	43.50	43.50	42.50	41.50	40.50	40.50	38.50	37.75
Public Works										
Admin & Engineering	23.85	33.15	30.30	28.74	28.74	27.68	26.18	25.68	25.18	25.18
Non-Motorized Grants	1.10	2.00	2.00	2.00	-	-	-	-	-	-
Streets & Sidewalks	39.35	39.30	40.30	39.50	39.50	39.80	38.80	37.80	34.80	34.80
Parking Enforcement	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
**Building and Site Development	-	-	17.75	16.75	16.75	16.25	16.25	14.75	14.75	13.75
Custodial & Maintenance	16.25	13.25	13.25	10.50	10.50	10.50	10.50	9.00	9.00	9.00
Fleet Operations	31.45	28.40	28.40	25.55	25.90	23.90	23.90	22.90	22.90	22.90
GIS Fund	3.50	-	-	-	-	-	-	-	-	-
Employee Benefit	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Information Technologies	27.00	28.00	26.00	25.00	24.00	23.20	22.20	21.70	21.70	21.70
Public Communications	10.75	10.75	11.75	11.75	11.75	10.50	6.00	5.50	6.00	5.50
Contributions	-	-	-	-	-	2.00	2.00	2.00	2.00	2.00
Office of Sustainability	1.00	1.00	-	-	-	-	-	-	-	-
Business-Type Activities										
Railroad	4.00	4.00	5.00	5.00	5.00	5.00	4.00	4.00	3.00	3.00
Water & Electric	252.60	249.60	246.60	239.60	238.60	228.60	226.10	220.10	220.10	218.10
Recreation Services	34.25	34.25	36.25	36.25	36.25	36.25	35.50	35.50	35.25	35.75
Public Works										
Public Transportation	37.80	37.75	37.75	38.80	34.79	36.10	35.10	32.10	30.60	30.60
Airport	17.20	17.20	17.20	16.20	16.20	16.00	16.00	16.00	16.00	16.00
Sanitary Sewer	76.97	73.10	64.47	61.87	58.87	57.24	56.24	56.24	56.24	56.24
Parking Facilities	7.85	6.80	6.80	5.70	5.70	5.60	5.60	5.60	5.60	5.60
Solid Waste	87.95	85.90	84.73	84.68	83.68	77.25	77.25	77.25	77.25	73.25
Stormwater Utility	6.40	6.40	11.55	12.46	12.46	10.43	10.43	8.93	8.93	8.93
Utility Customer Services	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	11.75	10.75
Total	1,310.95	1,297.95	1,278.45	1,249.45	1,221.84	1,190.05	1,165.35	1,140.60	1,127.40	1,111.15

Note: Information from City of Columbia Annual Budget adopted October 1, 2011

* current year is budgeted, all other years are actual

**Community Development department includes:

- Planning
- Volunteer Services
- Neighborhood Programs
- Building and Site Development
- CDBG

Table 29

City of Columbia, Missouri
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Police										
Traffic Accidents Investigated	1,442	1,810	2,554	3,000	2,869	2,869	2,972	3,149	2,855	2,584
Traffic Tickets Issued	10,662	13,738	11,636	10,500	10,165	10,165	10,089	12,205	10,208	10,151
Warning Tickets Issued	4,006	7,902	11,589	6,800	7,000	6,460	6,448	8,757	6,540	6,379
Driving While Intoxicated Arrests	446	485	337	500	600	460	559	581	426	445
Fire										
Fire Calls (All Types)	337	360	331	425	365	423	490	414	446	512
Rescue Calls	6,642	6,350	6,021	5,700	5,581	5,520	4,997	4,540	4,204	3,978
Sanitary Sewer Utility										
Average daily flow (millions of gallons)	15.4	19.7	15.5	16.4	16.2	13.0	15.8	16.0	14.9	15.9
Solid Waste Utility										
Tons of waste collected	161,573	162,257	146,289	176,000	176,852	192,886	165,228	162,434	154,186	156,193
Tons of recyclables collected	10,388	9,482	9,025	8,976	8,800	8,166	8,410	7,762	6,662	6,017
Public Transportation										
Total Vehicle Miles-Fixed Route	693,548	653,955	640,736	755,870	755,870	495,714	517,732	495,714	489,654	484,000
Total Vehicle Miles-Paratransit	186,311	168,153	167,968	138,922	113,324	162,271	101,991	151,769	104,328	152,166
Airport										
Number of Enplaned Passengers	38,478	32,072	24,843	10,000	9,090	13,673	19,957	17,925	21,079	23,271
Parking Facilities										
Parking permits issued (surface & structures)	2,046	1,427	1,635	1,635	1,635	1,580	1,426	1,466	1,441	1,477
Metered & hourly spaces	2,441	2,170	2,128	2,415	2,415	2,451	2,522	2,522	2,523	2,520
Other Public Works										
Street Segments Resurfaced/Repaired	164	523	545	462	450	739	436	555	232	579
Number of Permits Issued	3,033	5,326	2,528	9,500	8,067	11,831	11,768	4,709	5,584	4,879
Parks and Recreation										
Number of Athletic Fields Maintained	46	48	47	48	46	47	47	45	45	45
Total Sq feet of Landscape Beds Maintained	592,672	518,344	523,000	550,873	489,973	419,872	375,000	369,503	354,601	349,455
Railroad										
Carloads	1,403	1,539	1,217	2,550	2,561	2,402	2,606	2,150	1,627	1,536
Water										
Fire hydrants installed	79	75	36	271	187	256	307	185	206	100
Services/meters installed	81	279	219	1,227	974	1,158	1,200	1,084	1,442	1,056
Electric										
New Distribution Transformers Installed	81	52	86	540	318	510	528	446	434	442
Electric Meters Installed	642	432	361	1,833	1,579	1,667	1,504	1,427	1,152	813
Miles of Underground Lines Installed	6.65	4.02	8.13	31.40	11.26	28.55	29.61	12.77	24.22	11.77
Health & Environment										
Birth Certificates issued	8,542	8,842	n/a	3,600	3,600	4,121	3,619	3,442	3,336	3,264
Death Certificates issued	* 11,716	10,755	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Immunizations	** 22,641	34,990	23,156	16,000	15,673	12,016	14,873	23,128	19,818	12,014
WIC Visits	28,906	30,132	29,744	25,432	21,184	21,184	21,184	24,786	21,500	21,500
Inspections	15,064	19,761	21,320	13,598	16,300	13,166	15,641	15,641	12,612	15,406

Note: Operating indicators provided by various City departments and budget document

* # includes both certified copies made from original long form DC and computer generated short form

** Flu: 10,060; Other: 12,581

n/a-information not available

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Table 30

City of Columbia, Missouri

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST SIX YEARS*

Function/Program	Fiscal year					
	2011	2010	2009	2008	2007	2006
Police						
Stations	1	1	1	1	1	1
Substations	4	4	7	7	7	5
Vehicles	98	111	103	103	101	107
Fire						
Stations	9	9	8	8	8	8
Vehicles	38	39	40	34	34	34
Sanitary Sewer Utility						
Collection system (total miles)	684	683	665	637	607	524
Solid Waste Utility						
Collection vehicles	44	44	44	44	44	32
Public Transportation						
Buses-General Fixed Route	21	17	19	14	13	17
Buses-Campus Fixed Route	9	13	10	15	10	9
Buses-Paratransit	12	11	9	9	7	8
Airport						
Pavement Surface (Square yards)	464,950	464,950	464,950	464,950	464,950	464,950
Parking Facilities						
Parking Structures	5	4	4	4	4	4
Surface Lots-Permit	6	7	7	4	7	7
Surface Lots-Meter	4	5	7	5	2	5
Other Public Works						
Streets (miles)	507	465	465	425	425	425
Signalized Intersections	42	39	40	37	37	37
Parks and Recreation						
Pools	5	5	5	5	5	5
Golf Courses (18 hole)	2	2	2	2	2	2
Athletic fields with lights and/or irrigation systems	32	30	25	25	25	25
Rec/Nature Centers	2	2	2	1	1	1
Railroad						
Locomotives	2	2	2	2	2	2
Miles of main track	21.3	21.31	21.34	21.34	21.34	21.34
Water						
Water mains (miles)	668.57	664.25	662	648.7	635.44	618.65
Electric						
Circuit Miles of Distribution Lines	791.26	787.7	782	751.64	722	713.81

Note: Asset information provided by various City departments and budget document

*Information for prior years is not readily available

City of Columbia, Missouri

INSURANCE IN FORCE
SEPTEMBER 30, 2011

City of Columbia - Property/Casualty Insurance Program

Policy Period - October 1, 2010 to October 1, 2011

I. Liability Package Policy

- A. Insurance Company – St. Paul Fire and Marine Insurance Company
- B. Best's Rating is A+ XV and Admitted in Missouri
- C. Policy # – GP06302438/8109158P388
- D. Annual Premium is \$194,869 (Does not include TRIA)
- E. Includes the following coverages subject to a \$500,000 Self-Insured Retention:
 1. General Liability - \$2,000,000 Each Occurrence/\$3,000,000 Total Limit
 2. Police Professional Liability - \$2,000,000 Each Occurrence/\$3,000,000 Total Limit
 3. Products/Completed Operations Liability - \$3,000,000 Total Limit
 4. Public Officials Liability - \$2,000,000 Each Claim/\$3,000,000 Total Limit
 5. Employment Practices Liability - \$2,000,000 Each Claim/\$3,000,000 Total Limit
 6. Sexual Abuse Liability - \$1,000,000 Each Person/\$1,000,000 Total Limit
 7. Employee Benefits Liability - \$2,000,000 Each Claim/\$3,000,000 Total Limit
 8. Automobile Liability - \$2,000,000 Each Occurrence

II. Property/Inland Marine/Boiler and Machinery Coverages

- A. Insurance Company – FM Global Insurance Company
- B. Best's Rating is A+ XV – Admitted in Missouri
- C. Policy # – FM742
- D. Annual Premium is \$452,830, plus \$21,878 TRIA Premium - Total Premium is \$474,708
- E. Coverages and Limits:
 1. \$375,000,000 Blanket Property Limit excess \$100,000 Retention
 2. Earthquake - \$100,000,000 Aggregate Limit excess \$100,000 Retention
 3. Flood - \$100,000,000 Aggregate Limit excess \$100,000 Retention (excludes Zones A, B, and V)
 4. Debris Removal - \$5,000,000 Limit or 25% of the loss, whichever is greater, excess \$100,000 Retention
 5. Licensed Vehicles (Including Mobile Equipment) - \$5,000,000 Limit excess \$100,000 Retention (while on premises)
 6. EDP Equipment and Media - \$10,000,000 Limit excess \$100,000 Retention
 7. Extra Expense - \$5,000,000 Limit excess \$100,000 Retention
 8. Newly Acquired Property - \$10,000,000 Limit excess \$100,000 Retention
 9. Includes Boiler and Machinery Coverages

III. Excess Workers Compensation

- A. Insurance Company-Midwest Employers Casualty Corporation
- B. Best's Rating is A+ XV and Admitted in Missouri
- C. Policy # - EWC 008206
- D. Annual Premium is \$147,402
- E. Statutory Limits
- F. \$500,000 Self-Insured Retention, except \$750,000 SIR for Police, Fire and Electrical Workers
- G. Employers Liability Limit - \$1,000,000

IV. Crime Coverages

- A. Insurance Company – Federal Insurance Company (Chubb)
- B. Best's Rating is A++ XV and Admitted in Missouri
- C. Policy # – 8170-2669
- D. Annual Premium is \$9,150
- E. Coverages include:
 1. Employee Dishonesty Bond - \$500,000 Limit - \$50,000 Deductible
 2. Money and Securities - \$500,000 Limit - \$50,000 Deductible
 3. Depositors Forgery - \$500,000 Limit - \$50,000 Deductible
 4. Money Orders and Counterfeit Papers - \$500,000 Limit - \$50,000 Deductible
 5. Computer Fraud - \$500,000 Limit – \$50,000 Deductible
 6. Fund Transfer Fraud - \$500,000 with a \$50,000 Deductible
 7. Credit Card Fraud- \$500,000 Limit - \$50,000 Deductible

V. Airport Liability

- A. Insurance Company – National Union Fire Insurance Company of Pittsburgh, PA
- B. Best's Rating is A XV and Admitted in Missouri
- C. Policy # – AP339503611
- D. Annual Premium is \$8,981 plus \$1,437 TRIA Premium-Total Premium is \$10,418
- E. Coverages include:
 1. General Liability - \$10,000,000 Limit Each Occurrence
 2. Products/Completed Operations - \$10,000,000 Aggregate Limit
 3. Personal and Advertising Injury - \$10,000,000 Aggregate Limit
 4. Personal Injury for Discrimination or Humiliation - \$1,000,000 Each Individual/Aggregate
 5. Incidental Medical Malpractice - \$10,000,000 Limit Each Occurrence/Aggregate
 6. Non-Owned Aircraft Liability - \$10,000,000 Limit Each Occurrence
 7. Hangarkeepers Liability - \$10,000,000 Each Aircraft/\$10,000,000 Occurrence
 8. Deductible - \$1,000 Each Aircraft

INSURANCE IN FORCE
SEPTEMBER 30, 2011

VI. Health Department Professional Liability

- A. Insurance Company – Columbia Casualty Insurance Company (CNA)
- B. Best's Rating is A XV – Non-Admitted in Missouri
- C. Policy # – HMA1040025803-78
- D. Annual Premium is \$35,750
- E. Limits are \$1,000,000 Each Claim/\$2,000,000 Aggregate
- F. Deductible - \$15,000 Each Claim

VII. Railroad Liability

- A. Insurance Company – Great American Fidelity Insurance Co.
- B. Best's Rating is A XV and Non-Admitted in Missouri
- C. Policy # – RL204190301
- D. Annual Premium is \$24,139 (Includes TRIA)
- E. Limits are \$5,000,000 Any One Incident/\$10,000,000 Aggregate
- F. \$25,000 Retention Per Claim
- G. Claims Made Policy

VIII. Railroad Rolling Stock

- A. Insurance Company – AGCS Marine Insurance Co.
- B. Best's Rating is AXV - Admitted in Missouri
- C. Policy # – MXI93021187
- D. Annual Premium is \$2,800
- E. Coverages:
 - 1 \$400,000 Limit All Covered Property-Any One Occurrence-\$500 Deductible
 - a. SW120 Electromotive Div. GM Corp. 1200 HP Diesel – Electric RR Eng, S#4278-1-COLT
 - b. EMD Model GP-10, 1952 – HP: 1,750; Axles 4

IX. Arthur J. Gallagher & Co. Broker Fee - \$30,000

X. Loss Prevention Fee - \$10,000

Note: Information from Division of Risk Management, City of Columbia

Table 32

City of Columbia, Missouri

**SALARIES OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2011**

<u>Official Title</u>	<u>Salary Range</u>
City Manager	no minimum - no maximum
Public Works Director	76,003 - 160,705
Water and Light Director	76,003 - 160,705
City Counselor	76,003 - 160,705
Finance Director	76,003 - 160,705
Assistant City Manager	76,003 - 160,705
Police Chief	76,003 - 160,705
Planning Director	76,003 - 160,705
Director of Public Health and Human Services	76,003 - 160,705
Fire Chief	76,003 - 160,705
Parks and Recreation Director	76,003 - 160,705
Information Technologies Director	76,003 - 160,705
Economic Development Director	76,003 - 160,705
Human Resources Director	76,003 - 160,705
Convention/Visitor's Bureau Director	76,003 - 160,705
Human Services Manager	51,617 - 75,036
Manager of Cultural Affairs	46,858 – 68,157
City Clerk	no minimum - no maximum

Note: Information provided by the Human Resources Department

