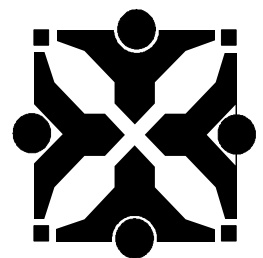


CITY OF COLUMBIA, MISSOURI

**Comprehensive
Annual Financial Report**

For the Fiscal Year
October 1, 2001 - September 30, 2002

Department of Finance
Lori B. Fleming, Director



CITY OF COLUMBIA, MISSOURI

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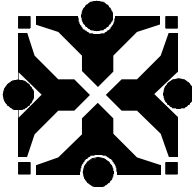
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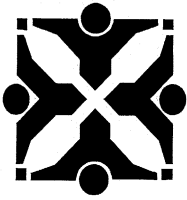
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INTRODUCTION





CITY OF COLUMBIA, MISSOURI

FINANCE DEPARTMENT
ADMINISTRATION

January 10, 2003

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 is submitted for your review in compliance with the provisions of Article II, Section 17 of the City Charter. This Comprehensive Annual Financial Report was prepared by the staff of the Finance Department in close cooperation with the external auditor, KPMG 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.

CAFR Explanation

The Comprehensive Annual Financial Report has three sections.

Section I - Introduction

The introductory section includes this letter of transmittal, an organizational chart and a list of the City of Columbia's principal elected and appointed officials. This section also includes the Certificate of Achievement for Excellence in Financial Reporting awarded to the City by the Government Finance Officers Association.

Section II - Financial

The financial section includes the independent accountants' report, Management's Discussion and Analysis, the Basic Financial Statements and the notes, Required Supplementary Information, combining statements for non-major funds and other schedules that provide detailed information related to the Basic Financial Statements. The Basic Financial Statements are intended to provide an overview and broad perspective of the financial position and results of all operations of the City of Columbia. Management's Discussion and Analysis provides a narrative introduction, overview and analysis to accompany the Basic Financial Statements and should be read in conjunction with this letter of transmittal.

Section III - Statistical

The statistical section is designed to provide the user of the Comprehensive Annual Financial Report a broader and more complete understanding of the City. Where appropriate, ten-year comparative data is presented to indicate trends relating to the importance of various revenue sources, the composition of governmental expenditures and statutory debt limitations.

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. This criteria generally has 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 of Columbia. This financial report does not include the Columbia Regional Library District or 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 47.

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 14 motor carriers, Columbia Regional Airport, Columbia Terminal Railroad, Columbia Area Transit System and four intrastate bus services. The City encompasses approximately 55 square miles and has a current estimated population of 88,291. Columbia continues to enjoy a steady growth rate, increasing 3,760 from the 2000 census figures.

The City is the location of the main campus of the University of Missouri, Columbia College, and Stephens College. Approximately 26,000 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 six 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 15 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 Columbia a very stable employment base. Public education (including the University) and government comprise over 33% of all non-farm employment and are five of the top ten employers in the Columbia area. Service industries provide approximately 22% of non-farm employment with the medical industry comprising two of the top ten employers. The retailing industry is also very strong providing approximately 20% of the employment in the area. The unemployment rate in Columbia, approximately 1.8% in 2002, has been well below the national average of approximately 5.7%.

Major Initiatives

The City's highest priorities for fiscal year 2002 were to maintain and enhance services, programs and projects that have allowed Columbia to be a "full-service" city, providing not only traditional public safety, health and developmental controls, but also many utility, transportation and other services not provided by many other city governments. The City Manager listed six of the most important issues for the City in his 2002 "State of the City" address. Although these are many of the same issues as last year, they remain important to our community. These issues are:

- ◆ Provide for city comprehensive planning
- ◆ Maintain and strengthen our central city
- ◆ Plan for orderly growth of our city
- ◆ Continue to provide and maintain infrastructure on a timely basis
- ◆ Continue to deliver services and programs in a timely and cost effective manner
- ◆ Provide for community resources

Comprehensive planning work continued on many of the City's master plans related to Parks and Transportation. The City has representation from the Council and staff on the committee established to make recommendations to MoDOT on future I-70 upgrades. Staff and community members are continuing to work together to develop community acceptable standards to comply with the EPA Storm Water Standards. The Neighborhood Response Team, with members from the Police Department, Environmental Health and Protective Inspection, has completed its review of the initial target area and expanded its review to new areas.

Construction was completed on Fire Station #8 and it was fully staffed and opened in fiscal year 2002. The Activity and Recreation Center (ARC) neared completion in fiscal year 2002 and was opened in December. The Recreation Center and Fire Station were approved for funding with the extension of the 1/4 cent Capital Sales Tax in November of 1999.

Our present geographic boundary of about 55 square miles has allowed for substantial residential, commercial and industrial development. The City Council placed on the August 6th ballot a proposal to bring an additional 8.7 miles into our City to accommodate additional growth. While this initiative failed, the City continues to aggressively pursue voluntary annexation.

The City's web-based activities continued to grow and improve during FY 2002. The City's internal staff internet committee with members representing each department and the mayor citizens' committee meet regularly to assist in establishing goals and priorities for the overall direction of the City's web-based activities. A web-based recreation reservation packaged was selected in fiscal year 2002. It has been implemented for internal use and it is anticipated to be available over the internet to citizens in April 2003.

Financial Trend Monitoring System

The International City Management Association (ICMA) under a grant from the National Science Foundation developed a comprehensive financial trend monitoring system. During FY80, the City of Columbia received permission to use the model, and was designated one of 24 test cities under the National Science Foundation grant.

The purpose in developing the City of Columbia's Financial Trend Monitoring System (CFTMS) was to enable the City to better understand the factors which affect the City's financial condition, and to present a clear picture of the City's financial strengths and weaknesses for review by City management, credit rating agencies and others with a need to know. The ICMA Financial Trend Monitoring System was modified by the City's Finance Department to apply not only to governmental funds, but also to include the City's diverse enterprise operations. The system monitors the indicators organized around environmental and financial factors such as external economic conditions, intergovernmental constraints, revenues, expenditures, operating position, debt structure, and the condition of capital plant. In order to use the Financial Trend Monitoring System, the City of Columbia began constructing indicators based upon five-year data for fiscal years 1977-81 and has been continually updated through fiscal year 2002. The data collection effort has permitted an assessment of current financial condition, and will be updated each year to provide continuing assessments. In 1997, the Financial Trend Monitoring System Manual, the General Government Manual and the Enterprise and Internal Service Funds Manual were all combined into one manual entitled "City of Columbia Ten Year Revenues, Expenditures and Financial Trends Manual."

The City continued to remain in excellent financial condition in 2002.

Financial Information

Internal Control Structure and Budgetary Controls

The City's government-wide financial statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The fund financial statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. The City's general government operations are maintained on a modified accrual basis of accounting. This means that revenues are recorded when they are measurable and they are available to finance expenditures of the current period. Expenditures are recorded when the goods or services are received and the liabilities are incurred. The City's proprietary funds (enterprise funds and internal service funds) and fiduciary funds are maintained on a full accrual accounting basis. This means that revenues and expenses are recorded essentially in the same manner as in commercial accounting.

In recording the financial transactions for the City, and in developing this financial report, consideration is given to the adequacy of internal accounting controls. The controls are designed to provide reasonable, but not absolute, assurance the transactions are recorded correctly, and the financial reports are reliable. This concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived from the control. All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City's annual budget is prepared under the modified accrual basis of accounting. The primary basis of budgetary control is at the department level. Any increase in appropriations during the fiscal year must be approved by the City Council. Interdepartmental transfers are made with City Council approval. All remaining unencumbered appropriations lapse at fiscal year end. Capital Projects, however, remain appropriated until completed or until the City Council decides to eliminate the project.

Single Audit

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-profit Organizations*. Information related to this single audit is included in a separate report.

Fiduciary Operations

Primary fiduciary operations of the City consist of the pension trust funds for the Firefighters and Police Retirement Plans. All full-time police officers and full-time firefighters are participants in their respective plans. The plans are financed by employer and employee contributions, which are actuarially determined. The latest actuarial valuations were made as of September 30, 2001. These plans are discussed in detail in the notes to the financial statements.

A detailed five-year experience study was completed in 1996. The results of this study were used to make minor adjustments to the actuarial assumptions used for each plan.

The Police and Firefighters' Retirement Funds' resources are generally invested in U.S. Treasury, Agency and Instrumentality Obligations, Corporate Bonds, Preferred stock, and Common stock. As of September 30, 2002, the portfolio had a fair value of \$52,977,155 with maturities of overnight to 30 years. Interest received on investments in this portfolio is higher than the Pooled Cash portfolio because the scope of investments is broader and the maturities are longer.

Cash Management

The primary responsibility of the Treasury Management Division of the Finance Department is to manage the investment portfolios and cash flow of the City. The City's investments are held in several portfolios that have a total cost of \$202,487,108 and a fair value of \$210,701,768 as of September 30, 2002. The City has adopted a comprehensive investment policy which authorizes the Finance Director to invest all City funds in any of the investment instruments outlined in the ordinance. In addition, the Police & Fire Pension Boards have adopted an asset allocation to be used specifically for the pension fund investments.

The City continues to manage a pooled funds investment program for all cash not restricted. By investing available fund balances as part of the pooled cash account, the City receives more favorable interest rates. The pooled cash portfolio has a cost of \$135,125,773 and a fair value of \$140,075,135. Over 99% of the pooled cash portfolio is in U.S. government and agency securities. A detailed listing of the securities held in the pooled cash portfolio can be found on pages 188 and 189. During 2002, the composition of the portfolio remained unchanged.

The Self-insurance Reserve portfolio's primary purpose is to provide adequate reserves for the City's property, casualty and workers' compensation self-insurance program. This program was established and funded through the issuance of taxable and tax-exempt bonds in June 1988, which were fully retired in September 2002. This portfolio now consists of investments with a cost of \$10,055,309 and a par value of \$10,058,627. A detailed listing of the securities held in this portfolio can be found on page 190.

Due to the compatible investment objectives of the funds, the City pools the Police and Firefighters' Retirement Funds portfolio. The portfolio had a cost of \$53,157,774 and a fair value of \$52,977,155 on September 30, 2002. As provided for in the current investment policies and guidelines, approximately 49% of the funds' assets are held in Common Stock and Mutual Funds. During 2002, the composition of the portfolio remained unchanged. Remaining funds are allocated between Corporate Bonds and U.S. Government and Agency Securities. A detailed listing of the securities held in this portfolio can be found on pages 190 and 191.

The City manages another smaller portfolio for the Water and Electric Utility Bond proceeds. This portfolio has a cost of \$4,148,252 and a fair value of \$7,590,851. All funds in these portfolios are held in U.S. Government and Agency Securities, bonds and miscellaneous securities. A detailed listing of the securities held in this portfolio can be found on page 191.

Risk Management

In June of 1988, the City of Columbia established a self-insurance program to provide for the City's property, casualty and workers' compensation claims. This program was initially funded through the issuance of taxable and tax-exempt bonds. Annual contributions of \$1,620,436 have been made to the Self-insurance Fund by the City. These contributions, plus interest on the self-insurance portfolio are used to meet the normal expenses of the self-insurance program.

Other Information

Independent Audit

The State of Missouri statutes require an annual audit of all funds of the City. The firm of KPMG 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 twenty-three 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,

**Lori B. Fleming
Director of Finance**

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, 2001

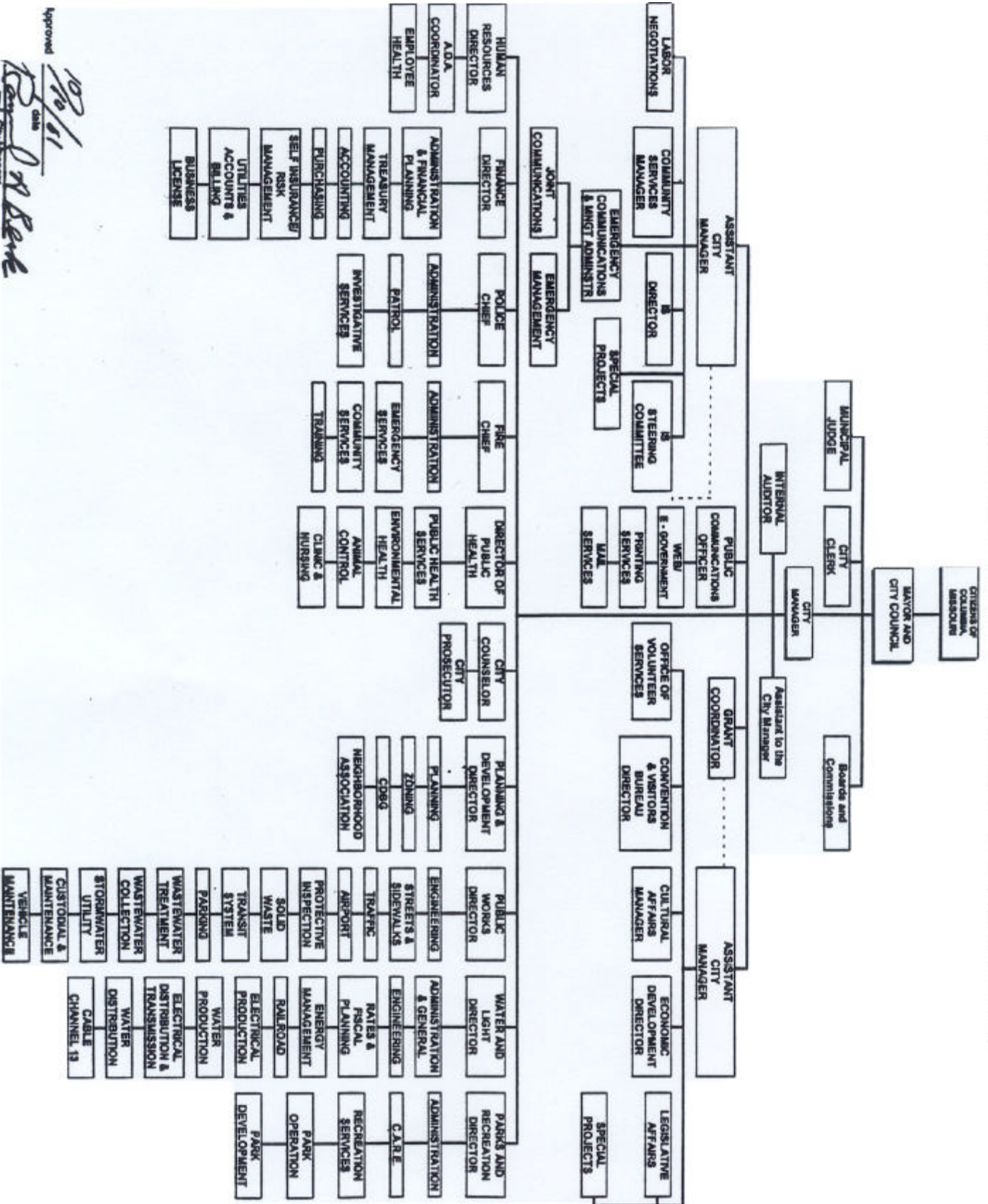
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



William Peter Pate
President

Jeffrey L. Esser
Executive Director

FUNCTIONAL ORGANIZATIONAL CHART - CITY OF COLUMBIA, MISSOURI



Approved 10/10/01 date [Signature]
 City Manager

CITY OF COLUMBIA, MISSOURI

CITY OF COLUMBIA OFFICIALS

MAYOR

Darwin Hindman

CITY COUNCIL

Almeta Crayton
Christopher Janku
Bob Hutton

Jim Loveless
John John
John Coffman

CITY MANAGER

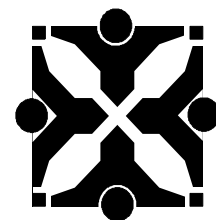
Raymond A. Beck

DIRECTOR OF FINANCE

Lori B. Fleming

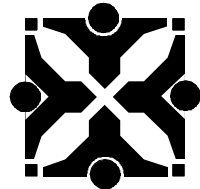
INDEPENDENT AUDITORS

KPMG LLP



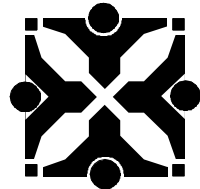
CITY OF COLUMBIA, MISSOURI

FINANCIAL SECTION



CITY OF COLUMBIA, MISSOURI

REPORT OF INDEPENDENT AUDITORS



Independent Auditors' Report

**The Honorable Mayor and Members
of the City Council
City of 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 (the City), as of and for the year ended September 30, 2002, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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, 2002 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the basic financial statements, the City adopted the provisions of the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; Statement No. 38, *Certain Financial Statement Note Disclosures*; and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, during the year ended September 30, 2002.

The management's discussion and analysis, budgetary comparison schedule and schedules of pension trust fund information on pages 9 through 22 and 87 through 92, respectively, 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.

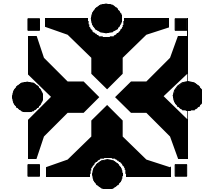
Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the City of Columbia's basic financial statements. The introductory section, supplementary information, and statistical section are presented for purposes of additional analysis and are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

In accordance with *Government Auditing Standards*, we have also issued a report, dated January 10, 2003, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit.

January 10, 2003

CITY OF COLUMBIA, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS



Management's Discussion and Analysis

This is the first year the City of Columbia, Missouri has prepared financial statements in accordance with the guidelines prescribed in GASB Statement 34. This discussion and analysis is meant to provide an objective and easily readable analysis of the City's financial activities based on current facts and conditions. Please read this in conjunction with the accompanying transmittal letter and basic financial statements.

Fiscal Year Highlights

Columbia continues to be a growing city. While recent economic factors have slowed the rate of growth in revenues, Columbia's resources are growing. The City provides a full range of governmental and proprietary services that include nine enterprise activities. This results in a greater volume of transactions and values than other cities of comparable size.

- The City's total net assets increased \$29,744,074 or 7.2%. Governmental activities net assets increased \$13,319,047 while business-type activities net assets increased \$16,425,027.
- The City liquidated a portion of the self-insurance portfolio to retire \$25 million in variable rate Special Obligation Bonds issued in 1986 for the purpose of funding the self-insurance program. Approximately \$9 million remains as a reserve in this fund.
- The City will retire the last of its General Obligation Debt in FY 2003. No debt levy was necessary for FY 2002.
- The City shifted 10 cents in property tax levy from debt to the general fund, increasing revenues in the general fund without increasing the overall tax rate.
- The City opened and fully staffed the new Fire Station #8 to decrease response times in the southeast portion of the City.

The Comprehensive Annual Financial Report

The implementation of GASB 34 has changed the presentation and content of the financial statements from the statements issued previously. 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 information.

The primary focus of local government's financial statements prior to GASB 34 had been to summarize fund type information on a current financial resource basis. The new accounting model now presents two kinds of information. The government-wide financial statements, which are new, 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 still included to provide useful information on individual parts of the government. 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. These statements can be found on pages 25 and 26 to 27. 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, P.I.L.O.T., 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 of operations. Three of these operations require subsidies from tax revenue (airport, transit and recreation services).

The City does not include any component units 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 28 to 41. The fund financial statements provide detailed information about each of the City’s most significant funds, called “major funds”. 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, which means they measure only current financial resources and uses. 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 at the bottom of the governmental funds statements that explains 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 and private purpose trust. 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.

City-Wide Analysis

Since this is the first year for the City to prepare financial statements using GASB 34 guidelines, comparative data is not available, however, comparable data will be available in future years.

Statement of Net Assets

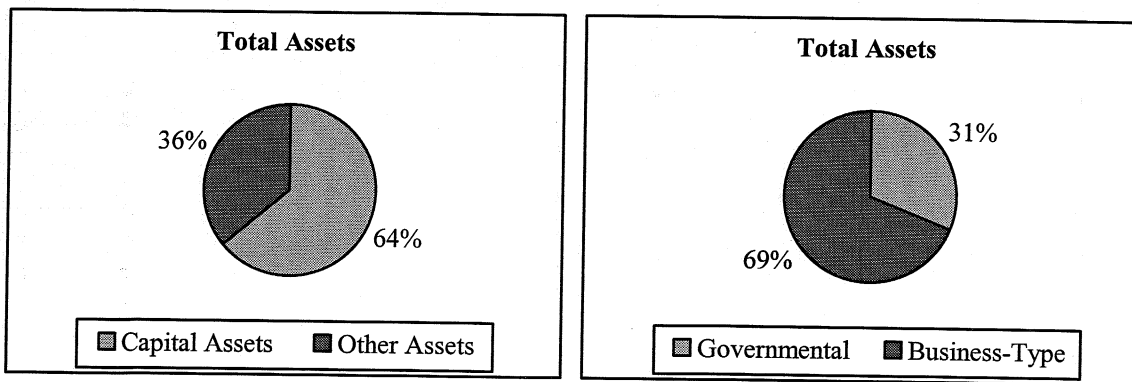
The following table reflects the condensed statement of net assets as of September 30, 2002:

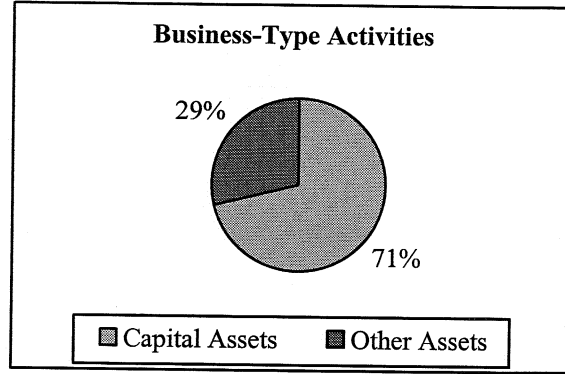
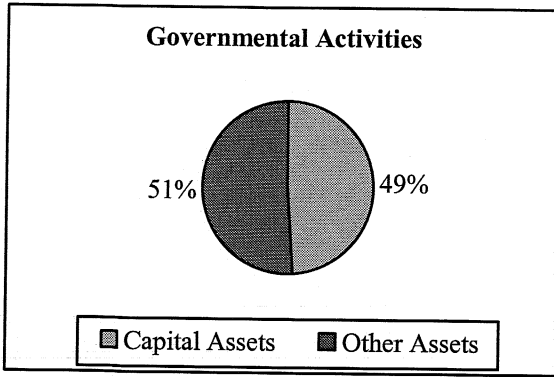
City of Columbia's Net Assets

	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 96,304,336	\$ 119,691,008	\$ 215,995,344
Capital assets	90,891,725	295,840,496	386,732,221
Total assets	187,196,061	415,531,504	602,727,565
Long-term obligations	16,786,375	118,017,289	134,803,664
Other liabilities	5,409,828	20,848,755	26,258,583
Total liabilities	22,196,203	138,866,044	161,062,247
Net assets			
Invested in capital assets, net of related debt	76,070,225	182,254,913	258,325,138
Restricted	49,276,777	8,186,065	57,462,842
Unrestricted	39,652,856	86,224,482	125,877,338
Total net assets	\$ 164,999,858	\$ 276,665,460	\$ 441,665,318

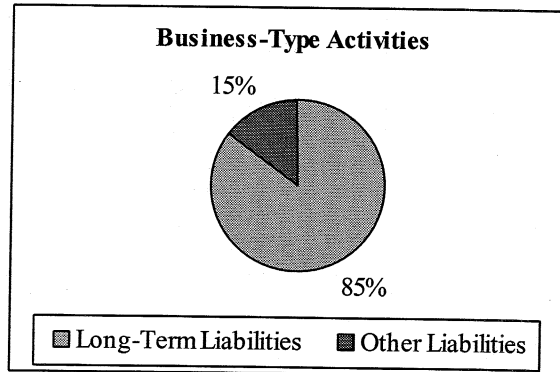
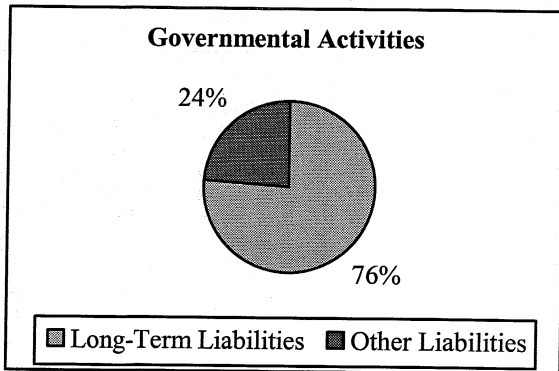
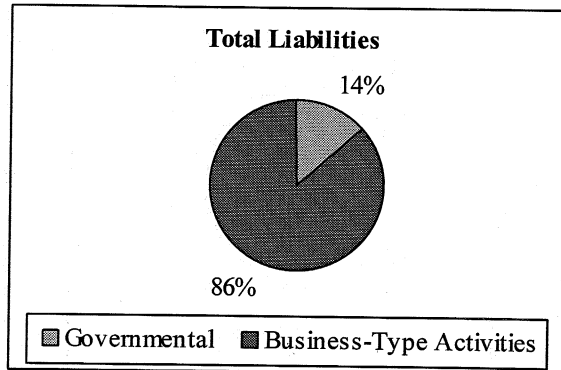
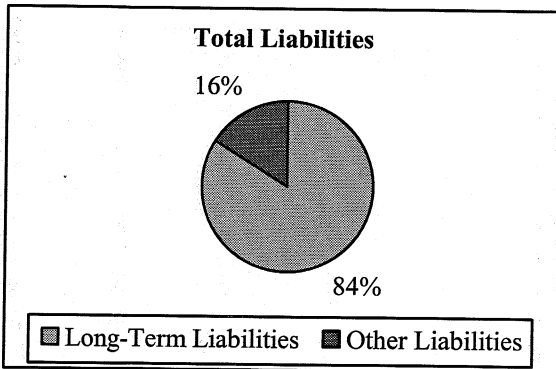
A review of the government-wide financial statement of net assets reveals the following:

Total assets for the City as a whole are \$602,727,565. This includes \$187,196,061 for governmental activities and \$415,531,504 for business-type activities. Of these total assets, \$386,732,221 is capital assets and \$215,995,344 is other assets. For governmental activities, \$90,891,725 is capital assets and \$96,304,336 is other assets. Capital assets for business-type activities are \$295,840,496 and other assets are \$119,691,008. The City has a large amount of business-type assets due to the wide variety of enterprise activities it operates (9 in total).





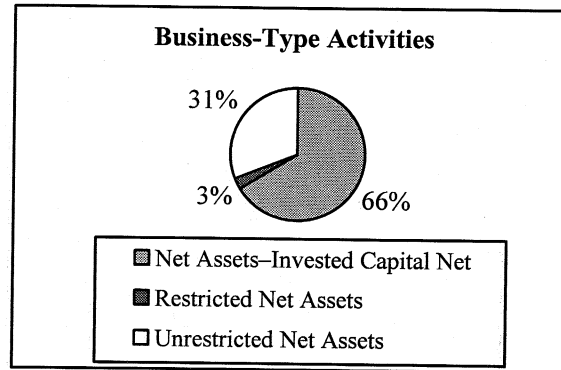
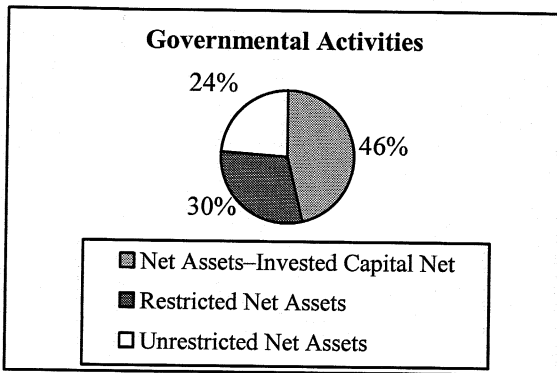
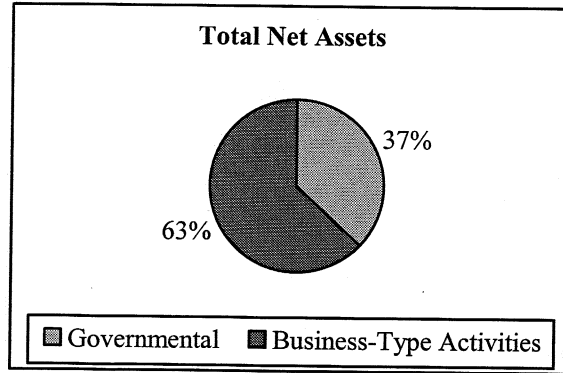
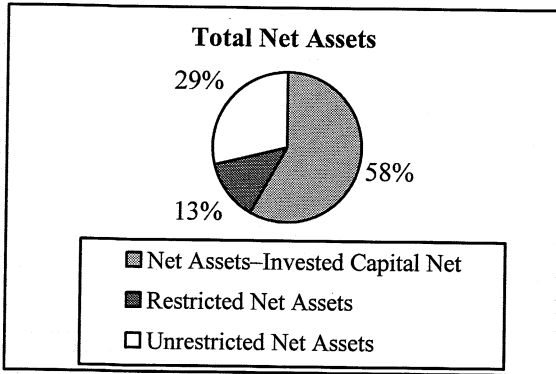
Total liabilities for the City as a whole are \$161,062,247. This includes \$22,196,203 for governmental activities and \$138,866,044 for business-type activities. Of these total liabilities, \$134,803,664 is long-term liabilities and \$26,258,583 is other liabilities. For governmental activities, \$16,786,375 is long-term liabilities and \$5,409,828 is other liabilities. Long-term liabilities for business-type activities are \$118,017,289 and other liabilities are \$20,848,755. The majority of the long-term liabilities are for debt issued for major capital projects. Debt issues are never extended longer than the useful life of the project for which the debt is being issued.



Total net assets for the City as a whole are \$441,665,318. This includes \$164,999,858 for governmental activities and \$276,665,460 for business-type activities. Of these total net assets, \$125,877,338 is unrestricted net assets, \$39,652,856 for governmental activities and \$86,224,482 for business-type activities.

Net assets invested in capital assets net of related debt are \$258,325,138. The majority of this capital investment is in business-type activities, which would be expected given the large capital investment the City has in its utility operations. For governmental activities, \$76,070,225 is invested in capital assets, net of related debt. This indicates the City does not have outstanding debt on assets that are fully depreciated.

Other total restricted net assets are \$49,276,777 for governmental activities and \$8,186,065 for business-type activities.



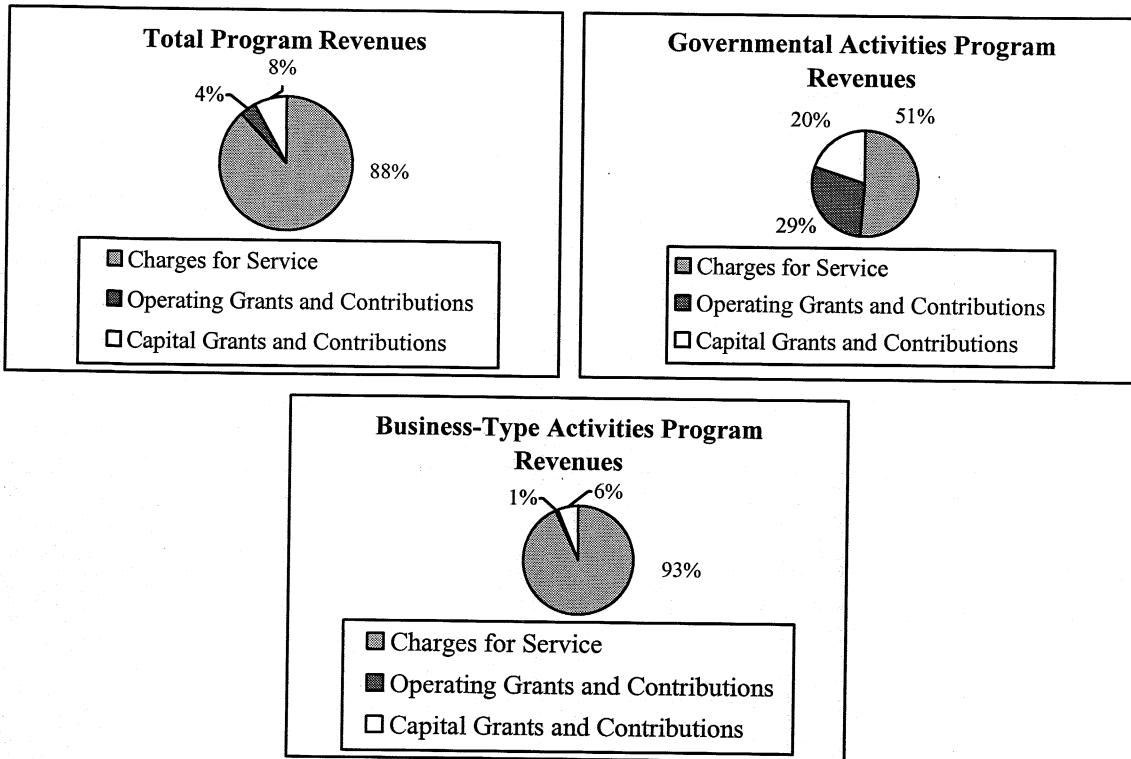
Statement of Activities

The following table reflects the revenues and expenses for the City's activities for the year ended September 30, 2002:

City of Columbia's Statement of Activities

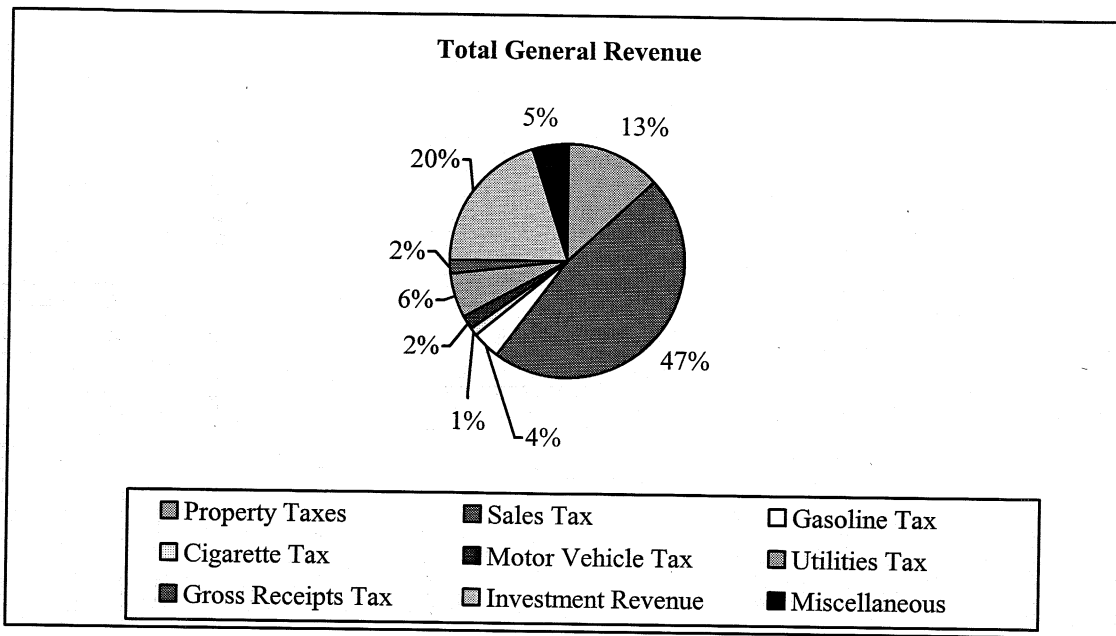
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues:			
Program revenues:			
Charges for services	\$ 7,012,099	\$ 96,402,644	\$ 103,414,743
Grants and contributions	3,890,031	1,166,886	5,056,917
Capital grants and contributions	2,740,029	6,369,450	9,109,479
General revenues:			
Property taxes	8,228,712	—	8,228,712
Sales tax	30,725,843	—	30,725,843
Other taxes	8,819,608	—	8,819,608
Investment revenue	6,542,331	6,559,492	13,101,823
Other	1,158,765	1,716,625	2,875,390
Total revenues	<u>69,117,418</u>	<u>112,215,097</u>	<u>181,332,515</u>
Expenses:			
Policy development and administration	9,282,359	—	9,282,359
Public safety	24,521,668	—	24,521,668
Transportation	4,203,240	—	4,203,240
Health and environment	5,839,638	—	5,839,638
Personal development	7,789,741	—	7,789,741
Miscellaneous nonprogrammed activities	182,636	—	182,636
Interest on long-term debt	1,206,283	—	1,206,283
Depreciation	3,113,546	—	3,113,546
Electric Utility	—	54,872,564	54,872,564
Water Utility	—	9,297,790	9,297,790
Sanitary Sewer Utility	—	8,649,912	8,649,912
Regional Airport	—	1,601,094	1,601,094
Public Transportation	—	2,936,602	2,936,602
Solid Waste Utility	—	10,293,259	10,293,259
Parking Facilities	—	1,841,303	1,841,303
Recreation Services	—	4,443,406	4,443,406
Railroad	—	529,662	529,662
Storm Water Utility	—	983,738	983,738
Total expenses	<u>56,139,111</u>	<u>95,449,330</u>	<u>151,588,441</u>
Increase in assets before transfers	12,978,307	16,765,767	29,744,074
Transfers	340,740	(340,740)	—
Increase in net assets	13,319,047	16,425,027	29,744,074
Net assets, beginning	151,680,811	260,240,433	411,921,244
Net assets, ending	<u>\$ 164,999,858</u>	<u>\$ 276,665,460</u>	<u>\$ 441,665,318</u>

The government-wide statement of activities indicates the major sources of program revenues are charges for service. The City's largest utility, the Water and Electric Utility, accounts for almost 71% of all charges for service and 76% of all business-type activities charges for service. The amount of operating grants for fiscal year 2002 is normal for the City and is only 4% of program revenues. Capital grants and contributions are higher than previous years due to the \$1.2 million grant received by the Electric Utility for the Route AC project and \$1.6 million in donated water mains. The City did not have information in previous years for the value of donated water mains.

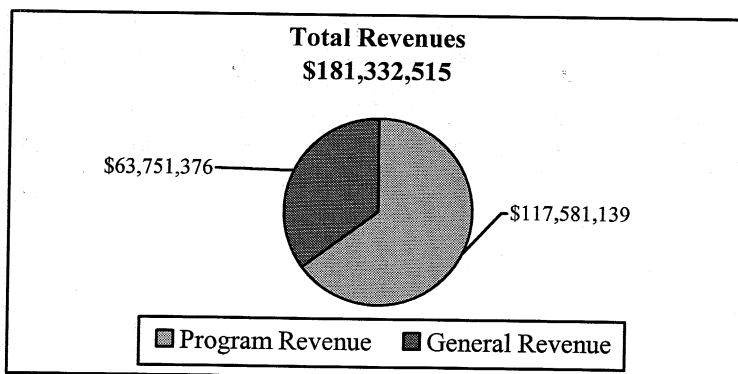


While only 3 of the 9 business-type funds show program revenue in excess of expenditures, all have a positive result of operations when including general revenues and transfers. The City experienced no significant variance from projected revenues for FY 2002.

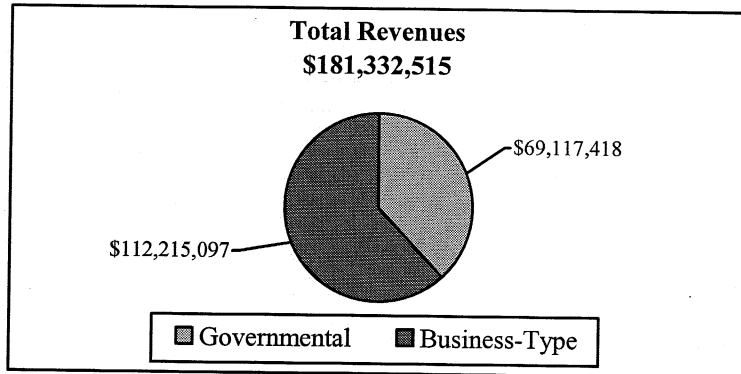
The single most significant source of general revenue is sales taxes. It accounts for 48% of total general revenues. Investment revenue and property taxes are the next most significant revenues representing 21% and 13%, respectively. The City of Columbia is fortunate that sales tax revenue continues to grow. However, the downturn in the economy has caused the rate of growth to slow over the past couple of years. Staff continues to closely monitor the monthly sales tax files provided by the state.



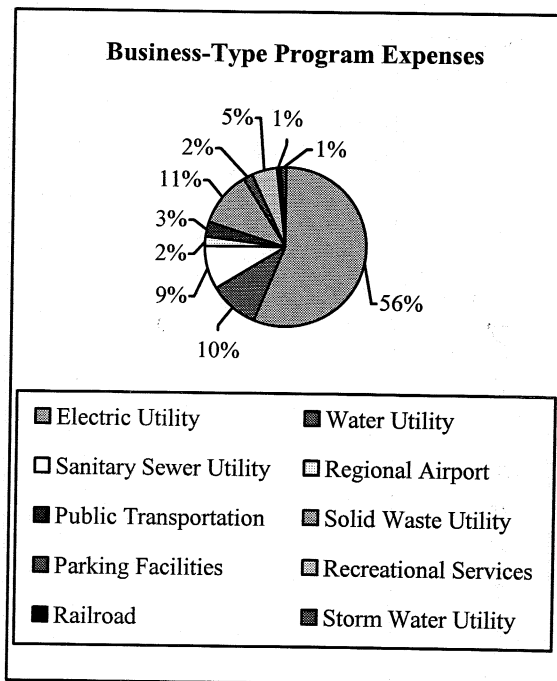
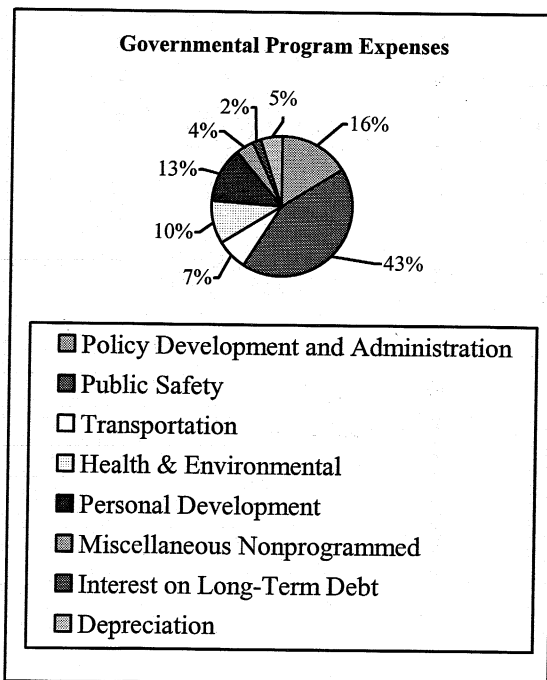
Total revenues are \$181,332,515.



The majority of the City's total revenue is derived from business-type activities due to the many enterprise operations run by the City.



Total program expenses for FY 2002 are \$151,588,441. The majority of these expenses, \$95,449,330, are for business-type activities. The remaining \$56,139,111 in expenses is for governmental activities. Public safety expenses comprise the majority of the governmental activities while the Electric Utility comprise the majority of the business-type activities.



The total net assets increased \$29,744,074 or 7.2%. Governmental activities increased net assets by \$13,319,047 or 8.8%. Business-type activities increased net assets by \$16,425,027 or 6.3%. These amounts are in line with projections.

Net transfers were only \$340,740 from business-type activities to governmental activities. However, the City transfers over \$3.9 million in general funds and transportation sales tax funds to support the operations of various business-type activities. Approximately \$2.9 million in parks sales taxes are transferred to the recreation services fund for operations and capital needs. For purposes of the government-wide financial statements, over \$7 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.

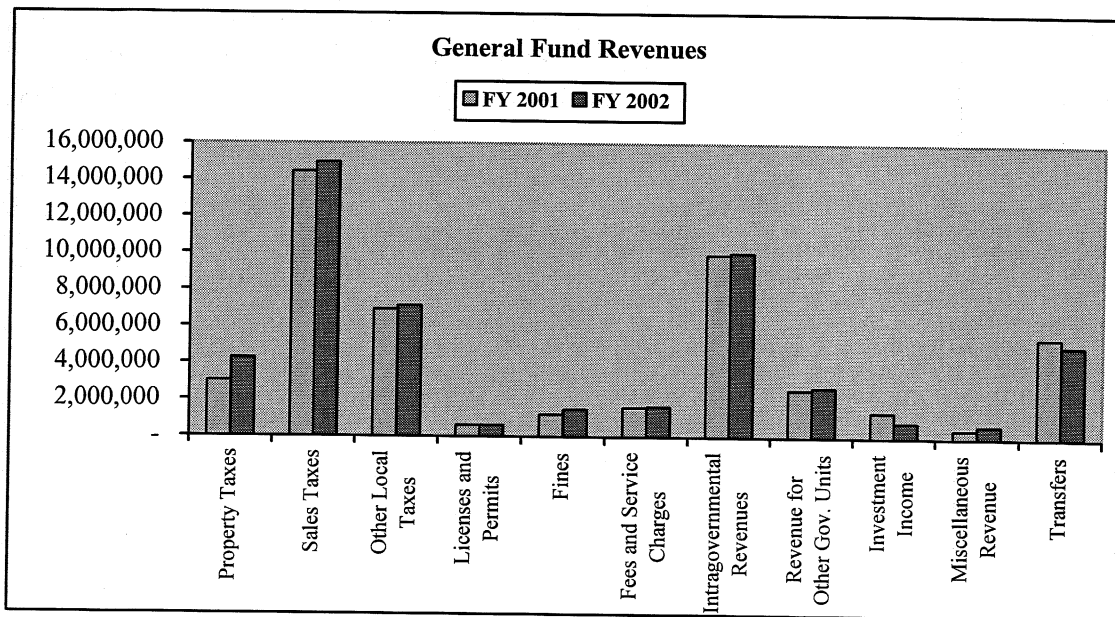
The City of Columbia did not have any special or extraordinary items in FY 2002.

Fund Statements

The City of Columbia fund statements can be found on pages 28 to 41 of the basic financial statements. As stated earlier, these statements are compiled on the modified accrual basis. Reconciliation to the government-wide financial statements has been provided with these fund statements. Both governmental funds and proprietary funds ended FY 2002 with an increase in fund balance and net assets.

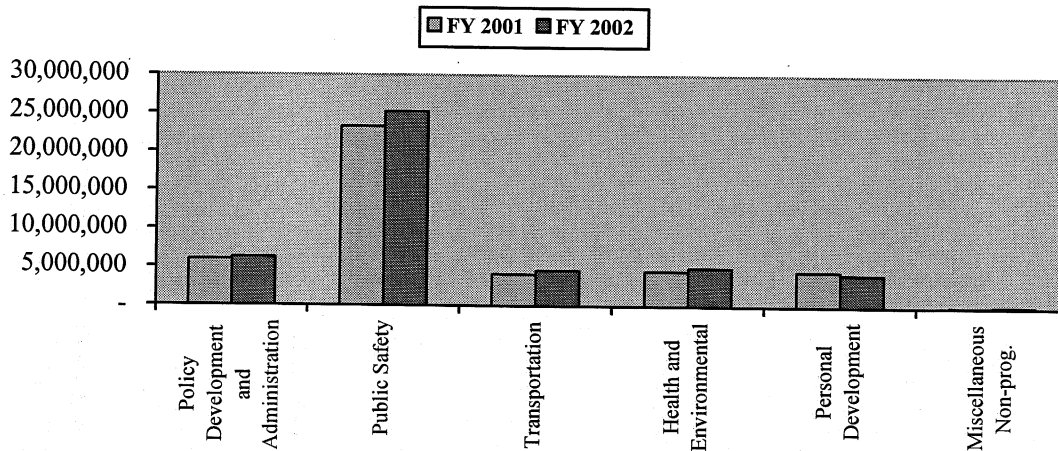
Undesignated fund balance is 21.4% of expenditures and transfers, well above the 16% target set by Council policy. It is the City's policy to designate the portion of fund balance that has been appropriated as revenue for the FY 2003 budget. Even though the City had budgeted for the use of over \$2 million in appropriated fund balance for FY 2001 and designated \$2.5 million for use in FY 2003, favorable variances in both revenues and expenditures resulted in an increase in undesignated fund balance of over \$600,000.

Overall revenues in the general fund were above the budgeted amount by \$1,287,721 or 2.9%. General fund revenues excluding appropriated fund balance increased \$1,817,453 or 3.8%. The largest increase was in property tax revenue. Because sufficient funds had been collected to retire the City's General Obligation Debt, the City was able to shift 10 cents from the debt levy to the general fund levy. The overall tax rate remained constant at 41 cents. This was still 4 cents below the City's maximum authorized levy. Sales taxes increased by \$503,338 or 3.5% for FY 2002. Due to the continued decline in interest rates, investment income decreased by \$541,657. Transfers were \$408,773 lower because FY 2001 transfers included a large amount for equipment purchases for the Parks Departments that were funded with parks sales tax proceeds.



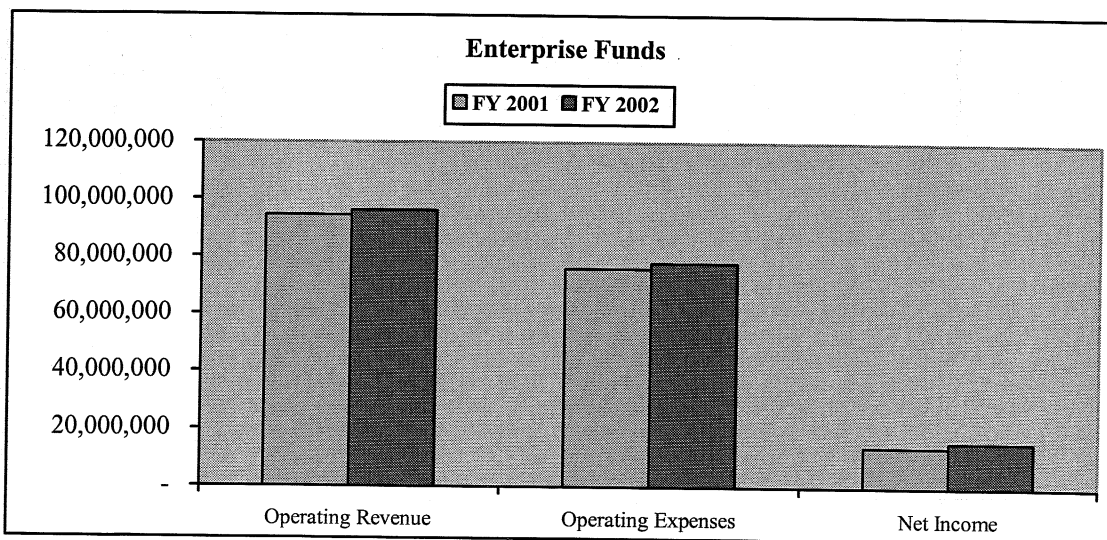
General fund expenditures were \$3 million under budget for FY 2002. Of this amount, \$885,000 has been encumbered to be spent in FY 2003. General fund expenditures increased \$3.2 million. The largest increase was in the area of public safety, approximately \$2 million. The majority of the increase in public safety was in the Police Department, which added 6 patrol officers and a detective as well as instituting a replacement schedule for major supplies such as handguns and bulletproof vests. Fire Department expenditures increased approximately \$800,000 due to the opening of the new Fire Station #8. Transportation expenditures increased in excess of \$500,000 due to major capital equipment purchases that included a street sweeper and dump trucks.

General Fund Expenditures



Two special revenue funds, special road district tax fund and Columbia special business district fund, experienced a decrease in fund balance in FY 2002. This was a budgeted use of accumulated funds that were used for capital projects.

A review of the net assets of the proprietary funds indicates that all funds have positive accumulated retained earnings. All proprietary funds, with the exception of the internal service funds of fleet and employee benefit, ended FY 2002 with net income. The use of net assets was budgeted for in the employee benefit fund. Staff has been reviewing billing procedures and expenses in both of these funds. Changes were made to the fee structure of both of these funds for FY 2003. Operating revenues, operating expenses and net income increased for the City's enterprise funds in FY 2002.



Revenues for the parking facilities fund increased significantly from FY 2001 to FY 2002. Parking rates were increased and meters were added during FY 2002, which accounts for this increase. In FY 2001, the City received significant grant funds for the purchase of new buses in the public transportation fund. No major capital purchases occurred during FY 2002. Therefore, capital contributions are \$2.9 million lower in the public transportation fund.

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 and will be expensed in the subsequent fiscal year. The FY 2002 final budget for the general fund includes \$1.3 million of funds carried forward from FY 2001. The remaining increases to the FY 2002 budget were for grants and contributions received during the year. These grants and contributions also increased the general fund revenue budget for FY 2002. These changes are not expected to affect future budgets.

Overall, the general fund ended FY 2002 with favorable budget variances for both revenues and expenditures. Year-end revenues were 3% over budget. P.I.L.O.T. and grant revenues did not meet budget expectations. Staff reduced expenditures for the grants that were not received. Local tax and fine revenues ended the year ahead of budget by 5.3% and 34%, respectively. The appropriate adjustments were implemented in the FY 2003 budget process.

Capital Assets

**City of Columbia Capital Assets
(net of depreciation)**

	Governmental Activities 2002	Business-type Activities 2002	Total 2002
Land	\$ 16,643,916	\$ 8,692,212	\$ 25,336,128
Buildings	13,016,130	-	13,016,130
Improvements other than buildings	6,119,763	-	6,119,763
Structures and improvements	-	157,129,864	157,129,864
Furniture, fixtures and equipment	8,772,445	110,202,836	118,975,281
Infrastructure	44,018,770	-	44,018,770
Construction in progress	2,320,701	19,815,584	22,136,285
Total	\$ 90,891,725	\$ 295,840,496	\$ 386,732,221

Major Capital Asset Events FY02

- Construction began on the Upper Hinkson Outfall Relief Sewer project budgeted at \$3.2 million
- Major runway repairs and construction of the Engine Generator Building were completed at the airport at a cost of \$1.5 million
- Construction continued on the Activities & Recreation Center; construction in progress at the close of the fiscal year was \$9 million
- The irrigation project at the Lake of the Woods golf course was completed at a cost of \$700,000
- The Materials Recovery Facility was completed in September at a cost of \$1.6 million
- Cell 3 at the landfill was well underway with construction in progress of \$2.7 million as of September 30
- Fire Station #8 in south Columbia was completed at a cost of \$1.3 million
- The police building renovations were completed at a cost of \$1.7 million
- Hinkson Creek Trail Phase II and Bear Creek Trail Phase IV were completed at a cost of \$1.1 million
- A condominium agreement was reached with the County for the new Health Department location and architectural plans were underway
- Various street and sidewalk projects were completed and continued at a cost of \$950,000 during fiscal year 2002

Debt Administration

The City's debt issues are discussed in Note IX to the basic financial statements. During FY 2002, the City retired \$25 million in Self-Insurance Special Obligation Bonds. The Water & Electric Utility issued \$16.49 million in revenue bonds that were authorized in 1998 for capital improvements to the distribution systems. The Solid Waste Utility issued \$4.64 million in Special Obligation Bonds for expansion projects at the landfill that included a materials recovery facility. The Sanitary Sewer Utility continued its participation in the State Revolving Loan program to issue \$2.23 million in revenue bonds authorized in 1997. \$8.475 million in Sanitary Sewer Revenue Bonds were also refunded during 2002 to take advantage of lower interest rates. The term of those bonds was not extended.

Only \$2,125,000 in General Obligation debt was outstanding at year-end. Only a small portion of the outstanding Certificates of Participation (C.O.P.'s) is paid from general revenues. Enterprise revenues service all of the Special Obligation debt. The C.O.P.'s issued for Stephen's Lake Property are serviced by the park's sales tax. The C.O.P.'s issued for the Activities & Recreation Center and Fire Station are serviced by the capital improvement sales tax. The City transferred \$700,000 in general fund property taxes to the capital project fund for funding of the public building expansion and renovation project. It is anticipated that once the plans are finalized for this project, the City will issue C.O.P.'s that will be funded through this revenue source.

City of Columbia Net Outstanding Debt - Net

	<u>FY 2002</u>	<u>FY 2001</u>
<u>Government Activities</u>		
General Obligation Debt	\$ 2,125,000	\$ 3,490,000
Capital Lease Obligation	7,000,000	7,301,440
Certificates of Participation	5,696,500	6,490,000
	<u>\$ 14,821,500</u>	<u>\$ 17,281,440</u>
<u>Business-type Activities</u>		
Revenue Bonds	\$ 90,787,057	\$ 76,892,181
Special Obligation Bonds	22,798,526	18,117,589
	<u>\$ 113,585,583</u>	<u>\$ 95,009,770</u>

Economic Outlook

The City of Columbia has been fortunate to be somewhat buffered from the economic woes of the rest of the state and nation. City revenues are not growing at the same pace as during the 1990's. However, Columbia continues to have a stable economy with low unemployment and continued growth, albeit slow growth, in sales tax revenue. Population growth is continuing in Columbia and Boone County.

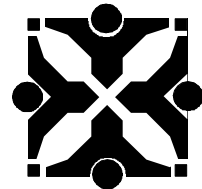
Staff will be watching closely any budget cuts that may affect Columbia's economy. During the past year, extensive cuts were made by the State in funding to the University of Missouri and other state agencies. While the University was forced to make cuts in employment and spending, to date it has not had a major effect on the local economy.

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, 2002

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 62,610,752	\$ 28,744,456	\$ 91,355,208
Investments	10,062,627	7,590,851	17,653,478
Receivables (net of allowance for uncollectibles)	16,488,634	13,129,573	29,618,207
Due from other governments	798,669	27,070	825,739
Internal balances	1,767,150	(1,767,150)	-
Inventories	441,610	4,390,562	4,832,172
Deferred charges	-	1,643,833	1,643,833
Other assets	93,628	339,529	433,157
Restricted assets:			
Cash and cash equivalents	4,041,266	62,019,788	66,061,054
Customer security and escrow deposits	-	2,210,858	2,210,858
Grants receivable	-	1,361,638	1,361,638
Capital assets:			
Non depreciable	18,964,617	28,507,796	47,472,413
Depreciable, net	71,927,108	267,332,700	339,259,808
Total Assets	<u>187,196,061</u>	<u>415,531,504</u>	<u>602,727,565</u>
LIABILITIES			
Accounts payable	2,787,075	4,877,131	7,664,206
Accrued payroll and payroll taxes	2,039,874	949,688	2,989,562
Accrued interest payable	66,895	-	66,895
Due to other governments	-	175,396	175,396
Unearned revenue	88,866	51,467	140,333
Other liabilities	427,118	225,922	653,040
Liabilities payable from restricted assets	-	14,569,151	14,569,151
Noncurrent liabilities:			
Accrued compensated absences	1,248,415	996,455	2,244,870
Capital lease obligations	7,000,000	-	7,000,000
Revenue bonds payable	-	90,787,057	90,787,057
General obligation bonds payable	2,125,000	-	2,125,000
Special obligation bonds payable	-	22,798,526	22,798,526
Claims payable	716,460	-	716,460
Certificates of participation	5,696,500	-	5,696,500
Other long-term liabilities	-	3,435,251	3,435,251
Total Liabilities	<u>22,196,203</u>	<u>138,866,044</u>	<u>161,062,247</u>
NET ASSETS			
Invested in capital assets, net of related debt	76,070,225	182,254,913	258,325,138
Restricted for:			
Debt service	5,107,568	5,780,215	10,887,783
Capital projects	21,109,068	1,361,638	22,470,706
Nonspendable	1,500,000	-	1,500,000
Other purposes	21,560,141	1,044,212	22,604,353
Unrestricted	39,652,856	86,224,482	125,877,338
Total Net Assets	<u>\$ 164,999,858</u>	<u>\$ 276,665,460</u>	<u>\$ 441,665,318</u>

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, 2002**

<u>Functions/Programs</u>	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Governmental activities:			
Policy development and administration	\$ 9,282,359	\$ 3,771,928	\$ 68,073
Public safety	24,521,668	1,805,673	1,010,964
Transportation	4,203,240	487,922	1,211,155
Health and environment	5,839,638	946,576	1,551,178
Personal development	7,789,741	-	48,661
Miscellaneous nonprogrammed activities	182,636	-	-
Interest on long-term debt	1,206,283	-	-
Depreciation	3,113,546	-	-
Total governmental activities	56,139,111	7,012,099	3,890,031
Business-type activities:			
Electric Utility	54,872,564	62,947,076	-
Water Utility	9,297,790	10,341,415	-
Sanitary Sewer Utility	8,649,912	6,921,849	-
Regional Airport	1,601,094	467,031	-
Public Transportation	2,936,602	450,404	937,884
Solid Waste Utility	10,293,259	9,626,014	219,002
Parking Facilities	1,841,303	1,694,281	-
Recreation Services	4,443,406	2,458,986	10,000
Railroad	529,662	389,497	-
Storm Water Utility	983,738	1,106,091	-
Total business-type activities	95,449,330	96,402,644	1,166,886
Total City	\$ 151,588,441	\$ 103,414,743	\$ 5,056,917

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
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
\$ -	\$ (5,442,358)	\$ -	\$ (5,442,358)
96,329	(21,608,702)	-	(21,608,702)
1,421,236	(1,082,927)	-	(1,082,927)
878,101	(2,463,783)	-	(2,463,783)
344,363	(7,396,717)	-	(7,396,717)
-	(182,636)	-	(182,636)
-	(1,206,283)	-	(1,206,283)
-	(3,113,546)	-	(3,113,546)
<u>2,740,029</u>	<u>(42,496,952)</u>	<u>-</u>	<u>(42,496,952)</u>
1,317,174	-	9,391,686	9,391,686
1,659,525	-	2,703,150	2,703,150
1,577,820	-	(150,243)	(150,243)
1,383,323	-	249,260	249,260
123,170	-	(1,425,144)	(1,425,144)
-	-	(448,243)	(448,243)
-	-	(147,022)	(147,022)
174,083	-	(1,800,337)	(1,800,337)
74,509	-	(65,656)	(65,656)
59,846	-	182,199	182,199
<u>6,369,450</u>	<u>-</u>	<u>8,489,650</u>	<u>8,489,650</u>
<u>\$ 9,109,479</u>	<u>(42,496,952)</u>	<u>8,489,650</u>	<u>(34,007,302)</u>
	8,228,712	-	8,228,712
	30,725,843	-	30,725,843
	2,257,462	-	2,257,462
	633,852	-	633,852
	1,049,616	-	1,049,616
	3,563,741	-	3,563,741
	1,314,937	-	1,314,937
	6,542,331	6,559,492	13,101,823
	1,158,765	1,716,625	2,875,390
	340,740	(340,740)	-
	<u>55,815,999</u>	<u>7,935,377</u>	<u>63,751,376</u>
	13,319,047	16,425,027	29,744,074
	151,680,811	260,240,433	411,921,244
<u>\$</u>	<u>164,999,858</u>	<u>\$ 276,665,460</u>	<u>\$ 441,665,318</u>

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

**CITY OF COLUMBIA, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2002**

	Major Funds			Non-Major Funds	Total Governmental Funds
	General	Transportation Sales Tax	Capital Projects		
ASSETS					
Cash and cash equivalents	\$ 13,327,404	\$ 1,191,995	\$ 27,547,352	\$ 13,284,661	\$ 55,351,412
Accounts receivable	258,995	-	1,395	1,126,924	1,387,314
Taxes receivable, net	7,710,787	705,793	-	1,083,623	9,500,203
Grants receivable	204,102	-	-	64,933	269,035
Rehabilitation loans receivable	-	-	-	5,053,249	5,053,249
Accrued interest	47,396	4,641	93,463	134,664	280,164
Due from other funds	1,670,688	-	-	301,170	1,971,858
Advances to other funds	-	-	-	1,381,408	1,381,408
Other assets - current	92,140	-	-	783	92,923
Restricted assets:					
Cash and cash equivalents	-	-	-	4,041,266	4,041,266
Total assets	<u>\$ 23,311,512</u>	<u>\$ 1,902,429</u>	<u>\$ 27,642,210</u>	<u>\$ 26,472,681</u>	<u>\$ 79,328,832</u>
LIABILITIES					
Accounts payable	\$ 809,683	\$ -	\$ 450,963	\$ 263,609	\$ 1,524,255
Interest payable	-	-	-	66,461	66,461
Accrued payroll and payroll taxes	1,669,874	-	-	65,143	1,735,017
Due to other funds	-	-	-	448,282	448,282
Advances from other funds	-	-	460,440	-	460,440
Unearned revenue	5,952,102	-	-	70,500	6,022,602
Other liabilities - current	377,249	-	-	847	378,096
General obligation bonds payable	-	-	-	1,425,000	1,425,000
Total liabilities	<u>8,808,908</u>	<u>-</u>	<u>911,403</u>	<u>2,339,842</u>	<u>12,060,153</u>
FUND BALANCES					
Reserved:					
Reserved for encumbrances	885,596	-	1,342,978	20,960	2,249,534
Reserved for development charges	-	-	-	1,518,925	1,518,925
Reserved for hotel/motel tax	-	-	-	534,019	534,019
Reserved for loans receivable	-	-	-	5,053,249	5,053,249
Reserved for contributions	-	-	-	1,500,000	1,500,000
Reserved for advances to other funds	-	-	-	1,381,408	1,381,408
Unreserved:					
Designated for interest rate swap	-	290,754	-	-	290,754
Designated - appropriated	2,595,029	-	13,199,209	-	15,794,238
Designated - unrealized gains	592,159	-	1,031,688	637,453	2,261,300
Undesignated	10,429,820	1,611,675	11,156,932	-	23,198,427
Undesignated, reported in non-major:					
Special revenue funds	-	-	-	6,676,630	6,676,630
Debt service funds	-	-	-	3,566,215	3,566,215
Permanent fund	-	-	-	3,243,980	3,243,980
Total fund balances	<u>14,502,604</u>	<u>1,902,429</u>	<u>26,730,807</u>	<u>24,132,839</u>	<u>67,268,679</u>
Total liabilities and fund balances	<u>\$ 23,311,512</u>	<u>\$ 1,902,429</u>	<u>\$ 27,642,210</u>	<u>\$ 26,472,681</u>	<u>\$ 79,328,832</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, 2002**

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

Total fund balance - total governmental funds		\$ 67,268,679
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the governmental funds.		
Governmental capital assets	\$ 127,465,584	
Less accumulated depreciation	<u>(36,573,859)</u>	90,891,725
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.		
		15,550,633
Long-term liabilities, including bonds payable, certificates of participation, capital lease obligations, 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	\$ (1,248,415)	
Capital lease obligations	(7,000,000)	
General obligation bonds payable	(700,000)	
Certificates of participation	<u>(5,696,500)</u>	(14,644,915)
Some of the City's taxes 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 unearned revenue in the funds.		
		5,933,736
Net Assets of Governmental Activities		<u><u>\$ 164,999,858</u></u>

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

CITY OF COLUMBIA, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	Major Funds			Non-Major Funds	Total Governmental Funds
	General	Transportation Sales Tax	Capital Projects		
REVENUES					
General property taxes	\$ 4,263,326	\$ -	\$ -	\$ 3,716,082	\$ 7,979,408
Sales tax	14,946,467	7,564,716	-	8,214,660	30,725,843
Other local taxes	7,110,539	-	-	1,314,937	8,425,476
Licenses and permits	633,493	-	-	18,204	651,697
Fines	1,489,192	-	-	-	1,489,192
Fees and service charges	1,642,557	-	-	197,784	1,840,341
Special assessment taxes	-	-	84,662	-	84,662
Intragovernmental revenue	2,862,384	-	-	-	2,862,384
Revenue from other governmental units	2,710,326	-	-	-	2,710,326
Investment revenue	846,240	44,790	1,861,928	2,057,806	6,630,060
Miscellaneous	708,479	-	293,934	151,274	3,672,200
Total Revenues	<u>37,213,003</u>	<u>7,609,506</u>	<u>3,902,924</u>	<u>16,789,517</u>	<u>65,514,950</u>
EXPENDITURES					
Current:					
Policy development and admin.	6,180,538	-	-	1,594,944	7,775,482
Public Safety	24,521,668	-	-	-	24,521,668
Transportation	4,203,240	-	-	-	4,203,240
Health and environment	4,938,227	-	-	901,411	5,839,638
Personal development	4,127,259	-	-	3,662,482	7,789,741
Misc. nonprogrammed activities	179,081	-	-	-	179,081
Capital outlay	1,607,256	-	5,063,306	6,995	6,677,557
Debt service:					
Redemption of serial bonds	-	-	-	2,218,500	2,218,500
Interest	-	-	-	843,827	843,827
Fiscal agent fees	-	-	-	3,555	3,555
Total Expenditures	<u>45,757,269</u>	<u>-</u>	<u>5,063,306</u>	<u>9,231,714</u>	<u>60,052,289</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(8,544,266)</u>	<u>7,609,506</u>	<u>(1,160,382)</u>	<u>7,557,803</u>	<u>5,462,661</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	5,037,599	539,876	4,158,465	3,355,903	13,091,843
Payment-in-lieu-of-tax (PILOT transfer)	7,180,013	-	-	-	7,180,013
Transfers out	(2,869,500)	(6,912,889)	(680,798)	(9,449,453)	(19,912,640)
Restructure of financing	-	-	-	(301,440)	(301,440)
Total Other Financing Sources (Uses)	<u>9,348,112</u>	<u>(6,373,013)</u>	<u>3,477,667</u>	<u>(6,394,990)</u>	<u>57,776</u>
Net Change in Fund Balances	803,846	1,236,493	2,317,285	1,162,813	5,520,437
FUND BALANCE - BEGINNING	<u>13,698,758</u>	<u>665,936</u>	<u>24,413,522</u>	<u>22,970,026</u>	<u>61,748,242</u>
FUND BALANCE - ENDING	<u>\$ 14,502,604</u>	<u>\$ 1,902,429</u>	<u>\$ 26,730,807</u>	<u>\$ 24,132,839</u>	<u>\$ 67,268,679</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, 2002**

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

Net change in fund balances - total governmental funds		\$ 5,520,437
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. This is the amount by which capital outlays (\$6,677,557) exceeded depreciation (\$3,113,546) in the current period.		3,564,011
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		249,304
The repayment of of the principal of long-term debt and capital leases consumes the current financial resources of governmental funds.		
Long-term debt	\$ 2,218,500	
Capital leases	<u>301,440</u>	
		2,519,940
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.		<u>1,465,355</u>
Change in net assets of governmental activities		<u><u>\$ 13,319,047</u></u>

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, 2002

	Major Enterprise Funds		
	Water and Electric Utility	Sanitary Sewer Utility	Solid Waste Utility
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 18,776,494	\$ 1,724,367	\$ 582,263
Investments	7,590,851	-	-
Receivables (net of allowance for uncollectibles)	10,475,025	949,285	967,455
Accrued interest	154,497	32,779	23,136
Due from other funds	-	-	-
Loans receivable from other funds	11,355	-	-
Inventories	4,022,062	-	185,153
Other assets	326,790	-	-
Total current assets	<u>41,357,074</u>	<u>2,706,431</u>	<u>1,758,007</u>
Noncurrent Assets:			
Restricted assets:			
Cash and cash equivalents	34,284,918	12,140,821	6,361,411
Customer security and escrow deposits	1,700,942	251,393	258,523
Grants receivable	1,236,196	-	-
Total restricted assets	<u>37,222,056</u>	<u>12,392,214</u>	<u>6,619,934</u>
Deferred charges	702,589	425,584	142,608
Loans receivable from other funds	110,416	-	-
Capital assets:			
Land	2,411,563	2,374,482	251,071
Structures and improvements	20,292,814	135,044,428	8,588,611
Furniture, fixtures and equipment	171,153,025	4,057,610	9,970,622
Construction in progress	7,258,208	374,287	2,740,427
Less accumulated depreciation	(80,058,774)	(29,166,885)	(10,406,870)
Total capital assets (net of accumulated depreciation)	<u>121,056,836</u>	<u>112,683,922</u>	<u>11,143,861</u>
Total noncurrent assets	<u>159,091,897</u>	<u>125,501,720</u>	<u>17,906,403</u>
Total Assets	<u>200,448,971</u>	<u>128,208,151</u>	<u>19,664,410</u>
LIABILITIES			
Current liabilities:			
Accounts payable	4,563,346	63,695	106,661
Accrued payroll and payroll taxes	427,437	113,383	147,938
Accrued sales taxes	175,396	-	-
Due to other funds	846,182	-	-
Loan payable to other funds - current maturities	-	-	-
Unearned revenue	-	-	-
Other liabilities	173,793	3,650	18,715
Total current liabilities	<u>6,186,154</u>	<u>180,728</u>	<u>273,314</u>
Current liabilities payable from restricted assets:			
Construction contracts payable	545,435	206,745	1,130,125
Accrued interest	1,624,263	182,280	67,721
Revenue bonds payable	3,410,000	825,000	375,000
Customer security and escrow deposits	1,700,942	251,393	258,523
Advances from other funds	-	38,000	-
Total current liabilities payable from restricted assets:	<u>7,280,640</u>	<u>1,503,418</u>	<u>1,831,369</u>
Noncurrent liabilities:			
Accrued compensated absences	498,862	107,831	129,654
Loans payable to other funds	-	-	-
Revenue bonds payable	70,249,298	17,719,108	-
Special obligation bonds payable	-	2,592,633	8,166,683
Other long-term liabilities	-	-	3,435,251
Total noncurrent liabilities	<u>70,748,160</u>	<u>20,419,572</u>	<u>11,731,588</u>
Total Liabilities	<u>84,214,954</u>	<u>22,103,718</u>	<u>13,836,271</u>
NET ASSETS			
Invested in capital assets, net of related debt	50,807,538	92,372,181	2,977,178
Restricted for:			
Debt service	3,391,539	889,929	264,132
Capital projects	1,236,196	-	-
Other purposes	-	653,454	-
Unrestricted	60,798,744	12,188,869	2,586,829
Total Net Assets	<u>\$ 116,234,017</u>	<u>\$ 106,104,433</u>	<u>\$ 5,828,139</u>

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

Major Enterprise Funds			Non-Major	Total	Internal
Parking Facilities	Recreation Services	Storm Water Utility	Enterprise Funds	Enterprise Funds	Service Funds
\$ 2,964,833	\$ 853,014	\$ 746,532	\$ 2,062,664	\$ 27,710,167	\$ 8,293,629
-	-	-	-	7,590,851	10,062,627
69,921	75	105,059	147,565	12,714,385	422,573
16,573	14,827	8,910	8,046	258,768	28,621
-	-	-	-	-	-
-	-	-	-	11,355	-
-	44,115	-	139,232	4,390,562	441,610
-	2,100	-	10,639	339,529	705
<u>3,051,327</u>	<u>914,131</u>	<u>860,501</u>	<u>2,368,146</u>	<u>53,015,617</u>	<u>19,249,765</u>
2,190,024	4,820,262	1,880,947	341,405	62,019,788	-
-	-	-	-	2,210,858	-
<u>2,190,024</u>	<u>4,820,262</u>	<u>1,880,947</u>	<u>125,442</u>	<u>1,361,638</u>	-
-	-	-	-	-	-
239,122	133,930	-	-	1,643,833	-
-	-	-	-	110,416	-
1,603,273	398,674	21,344	1,631,805	8,692,212	-
14,251,343	6,716,938	5,863,554	21,018,024	211,775,712	4,037,382
293,768	704,460	258,513	6,608,793	193,046,791	-
-	9,119,294	140,069	183,299	19,815,584	85,663
(4,494,280)	(2,619,398)	(1,367,698)	(9,411,548)	(137,525,453)	(3,461,840)
<u>11,654,104</u>	<u>14,319,968</u>	<u>4,915,782</u>	<u>20,030,373</u>	<u>295,804,846</u>	<u>661,205</u>
14,083,250	19,274,160	6,796,729	20,497,220	363,151,379	661,205
<u>17,134,577</u>	<u>20,188,291</u>	<u>7,657,230</u>	<u>22,865,366</u>	<u>416,166,996</u>	<u>19,910,970</u>
2,283	24,911	7,065	69,685	4,837,646	359,768
12,648	94,466	17,794	106,567	920,233	334,312
-	-	-	-	175,396	-
-	-	-	-	846,182	147,760
51,467	-	-	11,355	11,355	-
2,210	3,842	4,846	-	51,467	-
<u>68,608</u>	<u>123,219</u>	<u>29,705</u>	<u>18,866</u>	<u>225,922</u>	<u>49,022</u>
-	-	-	-	7,068,201	890,862
-	1,421,163	70,560	25,344	3,399,372	-
134,444	57,213	-	-	2,065,921	434
365,000	1,918,000	-	-	6,893,000	-
-	-	-	-	2,210,858	-
-	557,873	-	325,095	920,968	-
<u>499,444</u>	<u>3,954,249</u>	<u>70,560</u>	<u>350,439</u>	<u>15,490,119</u>	<u>434</u>
17,710	130,928	18,073	93,397	996,455	-
-	-	-	110,416	110,416	-
2,818,651	-	-	-	90,787,057	-
5,219,080	6,820,130	-	-	22,798,526	-
-	-	-	-	3,435,251	1,658,997
<u>8,055,441</u>	<u>6,951,058</u>	<u>18,073</u>	<u>203,813</u>	<u>118,127,705</u>	<u>1,658,997</u>
8,623,493	11,028,526	118,338	760,725	140,686,025	2,550,293
3,616,373	7,499,838	4,915,782	20,030,373	182,219,263	661,205
384,349	850,266	-	-	5,780,215	-
-	-	-	125,442	1,361,638	-
390,758	-	-	-	1,044,212	707,441
<u>4,119,604</u>	<u>809,661</u>	<u>2,623,110</u>	<u>1,948,826</u>	<u>85,075,643</u>	<u>15,992,031</u>
<u>\$ 8,511,084</u>	<u>\$ 9,159,765</u>	<u>\$ 7,538,892</u>	<u>\$ 22,104,641</u>	<u>275,480,971</u>	<u>\$ 17,360,677</u>
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.					1,184,489
Net assets of business-type activities					<u>\$ 276,665,460</u>

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, 2002

	Major Enterprise Funds		
	Water and Electric Utility	Sanitary Sewer Utility	Solid Waste Utility
OPERATING REVENUES			
Charges for services	\$ 73,119,302	\$ 6,882,697	\$ 9,586,988
OPERATING EXPENSES			
Personal services	10,378,718	2,690,716	3,431,959
Materials, supplies, and power	37,561,622	633,410	2,054,842
Travel and training	52,540	5,643	10,544
Intragovernmental	2,318,502	818,649	939,402
Utilities, services, and miscellaneous	4,529,528	950,370	2,136,113
Depreciation	6,314,210	2,373,974	1,366,210
Total Operating Expenses	<u>61,155,120</u>	<u>7,472,762</u>	<u>9,939,070</u>
Operating Income (Loss)	<u>11,964,182</u>	<u>(590,065)</u>	<u>(352,082)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment revenue	3,873,089	1,074,747	498,060
Revenue from other governmental units	-	-	61,278
Miscellaneous revenue	1,308,470	62,882	88,310
Interest expense	(2,939,376)	(1,118,206)	(343,590)
Loss on disposal of fixed assets	(31,100)	(23,294)	(29,820)
Miscellaneous expense	(164,457)	(63,350)	(8,389)
Total Nonoperating Revenues (Expenses)	<u>2,046,626</u>	<u>(67,221)</u>	<u>265,849</u>
Income (Loss) Before Contributions and Transfers	14,010,808	(657,286)	(86,233)
Transfers in	26,468	1,000	-
Transfers out	(59,432)	(28,400)	-
Payment-in-lieu-of-tax (PILOT transfer)	(7,180,013)	-	-
Capital contribution	<u>2,976,699</u>	<u>1,577,820</u>	<u>157,724</u>
Change in Net Assets	9,774,530	893,134	71,491
TOTAL NET ASSETS - BEGINNING	<u>106,459,487</u>	<u>105,211,299</u>	<u>5,756,648</u>
TOTAL NET ASSETS - ENDING	<u>\$ 116,234,017</u>	<u>\$ 106,104,433</u>	<u>\$ 5,828,139</u>

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

Major Enterprise Funds			Non-Major	Total	Internal
Parking Facilities	Recreation Services	Storm Water Utility	Enterprise Funds	Enterprise Funds	Service Funds
\$ 1,694,281	\$ 2,458,986	\$ 1,100,862	\$ 1,306,932	\$ 96,150,048	\$ 17,015,458
303,248	2,384,626	407,901	2,517,380	22,114,548	3,863,077
204,421	601,962	84,745	507,851	41,648,853	2,799,102
-	6,181	125	6,569	81,602	71,616
115,282	339,386	109,091	484,675	5,124,987	836,323
115,844	680,303	132,563	443,583	8,988,304	11,330,995
604,857	216,413	249,981	1,057,025	12,182,670	219,608
1,343,652	4,228,871	984,406	5,017,083	90,140,964	19,120,721
350,629	(1,769,885)	116,456	(3,710,151)	6,009,084	(2,105,263)
305,483	443,407	155,322	154,191	6,504,299	2,925,324
-	10,000	-	937,884	1,009,162	4,018
572	5,117	111,340	139,934	1,716,625	1,559,891
(479,883)	(188,944)	-	(21,010)	(5,091,009)	(362,456)
-	-	-	(28,544)	(112,758)	(2,820)
(17,768)	(25,591)	(3,031)	(721)	(283,307)	(270,869)
(191,596)	243,989	263,631	1,181,734	3,743,012	3,853,088
159,033	(1,525,896)	380,087	(2,528,417)	9,752,096	1,747,825
172,000	4,437,526	-	2,312,574	6,949,568	13,070
(3,506)	-	-	(18,957)	(110,295)	(26,468)
-	-	-	-	(7,180,013)	-
-	174,083	59,846	1,581,002	6,527,174	-
327,527	3,085,713	439,933	1,346,202	15,938,530	1,734,427
8,183,557	6,074,052	7,098,959	20,758,439		15,626,250
\$ 8,511,084	\$ 9,159,765	\$ 7,538,892	\$ 22,104,641		\$ 17,360,677

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.

486,497

Change in net assets of business-type activities

\$ 16,425,027

CITY OF COLUMBIA, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	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)	\$ 72,376,962	\$ 6,798,615	\$ 9,912,197
Cash received from other sources	1,308,470	62,882	88,310
Cash payments to suppliers	(40,833,393)	(1,667,113)	(3,727,026)
Cash payments to employees	(10,292,393)	(2,671,384)	(3,427,519)
Cash payments to other funds	(2,318,502)	(818,649)	(939,402)
Cash payments for other expenses	317,905	62,813	44,520
Net cash provided (used) by operating activities	<u>20,559,049</u>	<u>1,767,164</u>	<u>1,951,080</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	26,468	-	-
Transfers out	(7,239,445)	(27,400)	-
Operating grants	-	-	61,278
Net cash provided (used) by noncapital financing activities	<u>(7,212,977)</u>	<u>(27,400)</u>	<u>61,278</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from bonds, loans, and capital leases	16,208,143	12,669,431	4,656,575
Debt service - interest payments	(2,516,809)	(1,336,146)	(312,496)
Debt service - principal and advance refunding payments	(2,849,294)	(9,175,000)	(190,000)
Acquisition and construction of capital assets	(12,194,599)	(2,884,329)	(3,710,253)
Payment of construction contracts	(1,006,717)	(382,745)	(248,570)
Fiscal agent fees payments	(119,411)	(258,391)	(109,335)
Capital contributions	277,346	1,577,820	157,724
Proceeds from advances from other funds	-	38,000	-
Net cash provided (used) by capital and related financing activities	<u>(2,201,341)</u>	<u>248,640</u>	<u>243,645</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	2,371,458	1,038,032	459,357
Increase (decrease) in fair value of investments	-	-	-
Purchase of investments	-	-	-
Sale of investments	-	-	-
Net cash provided (used) by investing activities	<u>2,371,458</u>	<u>1,038,032</u>	<u>459,357</u>
Net increases (decrease) in cash and cash equivalents	13,516,189	3,026,436	2,715,360
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>39,545,223</u>	<u>10,838,752</u>	<u>4,228,314</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 53,061,412</u>	<u>\$ 13,865,188</u>	<u>\$ 6,943,674</u>
Displayed as:			
Cash and cash equivalents	\$ 18,776,494	\$ 1,724,367	\$ 582,263
Restricted assets	34,284,918	12,140,821	6,361,411
	<u>\$ 53,061,412</u>	<u>\$ 13,865,188</u>	<u>\$ 6,943,674</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 11,964,182	\$ (590,065)	\$ (352,082)
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	6,314,210	2,373,974	1,366,210
Changes in assets and liabilities:			
(Increase)/decrease in accounts receivable	(847,685)	(84,082)	325,209
(Increase)/decrease in due from other funds	-	-	-
(Increase)/decrease in loans receivable from other funds	10,766	-	-
(Increase)/decrease in inventory	(23,699)	-	4,593
(Increase)/decrease in other assets	19,540	(72)	-
Increase/(decrease) in accounts payable	1,299,245	(58,780)	(139,095)
Increase/(decrease) in accrued payroll	86,325	19,332	4,440
Increase/(decrease) in accrued sales tax	20,027	-	-
Increase/(decrease) in due to other funds	105,345	-	-
Increase/(decrease) in other liabilities	23,985	(18,910)	608,975
Other non-operating revenue (expense)	1,586,808	125,767	132,830
Net cash provided (used) by operating activities	<u>\$ 20,559,049</u>	<u>\$ 1,767,164</u>	<u>\$ 1,951,080</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Contributed sewer lines	\$ 1,740,503	\$ 1,577,820	\$ -
Change in fair value of investments	1,292,458	-	-
Construction contracts payable	545,435	206,745	1,130,125
Total noncash capital and related financing activities	<u>\$ 3,578,396</u>	<u>\$ 1,784,565</u>	<u>\$ 1,130,125</u>

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

Parking Facilities Fund	Major Enterprise Funds			Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Recreation Services Fund	Storm Water Utility Fund				
\$ 1,665,018	\$ 1,510,998	\$ 1,103,159	\$ 1,351,784	\$ 94,718,733	\$ 16,841,598	
572	5,117	111,340	139,934	1,716,625	1,559,891	
(339,157)	(1,330,018)	(213,479)	(996,323)	(49,106,509)	(14,096,627)	
(300,860)	(2,360,429)	(404,688)	(2,504,619)	(21,961,892)	(3,822,930)	
(115,282)	(339,386)	(109,091)	(484,675)	(5,124,987)	(836,323)	
33,793	24,686	17,909	18,598	520,224	(205)	
<u>944,084</u>	<u>(2,489,032)</u>	<u>505,150</u>	<u>(2,475,301)</u>	<u>20,762,194</u>	<u>(354,596)</u>	
172,000	4,437,526	-	2,293,617	6,929,611	13,070	
(3,506)	-	-	-	(7,270,351)	(26,468)	
-	10,000	-	954,094	1,025,372	1,400	
<u>168,494</u>	<u>4,447,526</u>	<u>-</u>	<u>3,247,711</u>	<u>684,632</u>	<u>(11,998)</u>	
-	-	-	-	33,534,149	-	
(483,996)	(271,898)	-	(21,010)	(4,942,355)	(400,170)	
(347,161)	(1,856,480)	-	(11,355)	(14,429,290)	(25,114,167)	
(29,523)	(6,111,683)	(270,398)	(1,635,518)	(26,836,303)	(165,186)	
(1,210)	(811,662)	(119,309)	(725,554)	(3,295,767)	-	
(975)	(18,150)	(3,031)	-	(509,293)	-	
-	174,083	68,345	1,500,093	3,755,411	2,618	
-	56,215	-	(18,721)	75,494	(33,841)	
<u>(862,865)</u>	<u>(8,839,575)</u>	<u>(324,393)</u>	<u>(912,065)</u>	<u>(12,647,954)</u>	<u>(25,710,746)</u>	
284,980	470,154	143,633	142,671	4,910,285	9,911,868	
-	-	-	-	-	(6,775,528)	
-	-	-	-	-	(50,475,732)	
-	-	-	-	-	74,003,949	
<u>284,980</u>	<u>470,154</u>	<u>143,633</u>	<u>142,671</u>	<u>4,910,285</u>	<u>26,664,557</u>	
534,693	(6,410,927)	324,390	3,016	13,709,157	587,217	
4,620,164	12,084,203	2,303,089	2,401,053	76,020,798	7,706,412	
<u>\$ 5,154,857</u>	<u>\$ 5,673,276</u>	<u>\$ 2,627,479</u>	<u>\$ 2,404,069</u>	<u>\$ 89,729,955</u>	<u>\$ 8,293,629</u>	
\$ 2,964,833	\$ 853,014	\$ 746,532	\$ 2,062,664	\$ 27,710,167	\$ 8,293,629	
2,190,024	4,820,262	1,880,947	341,405	62,019,788	-	
<u>\$ 5,154,857</u>	<u>\$ 5,673,276</u>	<u>\$ 2,627,479</u>	<u>\$ 2,404,069</u>	<u>\$ 89,729,955</u>	<u>\$ 8,293,629</u>	
\$ 350,629	\$ (1,769,885)	\$ 116,456	\$ (3,710,151)	\$ 6,009,084	\$ (2,105,263)	
604,857	216,413	249,981	1,057,025	12,182,670	219,608	
(29,263)	(75)	2,297	28,417	(605,182)	(132,010)	
-	-	-	15,846	15,846	25,600	
-	(13,328)	-	-	10,766	-	
810	(884)	-	(59,054)	(91,488)	16,567	
(1,408)	(30,829)	135	(138)	19,256	(205)	
2,388	24,197	3,213	17,380	1,086,648	97,939	
-	-	-	12,761	152,656	40,147	
-	(947,913)	-	589	20,027	-	
(17,484)	2,585	3,819	3,354	(841,979)	(67,450)	
33,555	30,687	129,249	158,670	606,324	(9,420)	
<u>\$ 944,084</u>	<u>\$ (2,489,032)</u>	<u>\$ 505,150</u>	<u>\$ (2,475,301)</u>	<u>\$ 20,762,194</u>	<u>\$ (354,596)</u>	
\$ -	\$ -	\$ -	\$ -	\$ 3,318,323	\$ -	
-	-	-	-	1,292,458	(6,830,492)	
-	1,421,163	70,560	25,344	3,399,372	-	
<u>\$ -</u>	<u>\$ 1,421,163</u>	<u>\$ 70,560</u>	<u>\$ 25,344</u>	<u>\$ 8,010,153</u>	<u>\$ (6,830,492)</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, 2002**

	Pension Trust Fund	Private Purpose Trust Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ -	\$ 349,782
Accrued interest	271,913	1,161
Other assets	-	2,958
Investments	52,977,155	-
Capital assets	11,688	-
Accumulated depreciation	(11,688)	-
	<u>53,249,068</u>	<u>353,901</u>
LIABILITIES		
Accounts payable	200	4,518
Due to other funds	529,634	-
Other liabilities	48,168	7,666
	<u>578,002</u>	<u>12,184</u>
NET ASSETS		
Net assets held in trust for pension benefits	52,671,066	-
Unrestricted	-	341,717
	<u>\$ 52,671,066</u>	<u>\$ 341,717</u>

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
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

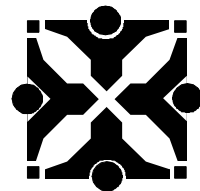
	Pension Trust Funds	Private Purpose Trust Funds
	<u> </u>	<u> </u>
ADDITIONS		
Contributions:		
Private Chamber	\$ -	\$ 4,000
City	-	85,500
County	2,585,062	20,000
University	-	35,000
Employee	-	15,000
Net investment revenue (expense)	1,204,248	-
Net depreciation in fair value of investments	(4,051,937)	-
Interest and dividends	3,340,025	28,656
Miscellaneous	-	7,936
	<u> </u>	<u> </u>
Total Additions	3,077,398	196,092
	<u> </u>	<u> </u>
DEDUCTIONS		
Health and environment:		
Services and miscellaneous	-	2,137
Policy development and administration:		
Materials and supplies	-	24,699
Travel and training	-	35,805
Intragovernmental	35,695	465
Utilities, services, and miscellaneous	32,460	137,484
Pension benefits	4,052,519	-
Refund of employees' contributions	48,904	-
Transfers to other funds	-	5,078
	<u> </u>	<u> </u>
Total Deductions	4,169,578	205,668
	<u> </u>	<u> </u>
Change in net assets	(1,092,180)	(9,576)
NET ASSETS - BEGINNING	<u>53,763,246</u>	<u>351,293</u>
NET ASSETS - ENDING	<u>\$ 52,671,066</u>	<u>\$ 341,717</u>

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

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NOTES TO THE FINANCIAL STATEMENTS

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



CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements

September 30, 2002

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CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements

September 30, 2002

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CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies employed in the preparation of the accompanying financial statements, as presented on the basis set forth in Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

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 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 - 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 - 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 income 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 changes in net assets) 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, 2002

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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. 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 Police and Firefighters' Retirement Funds, pension trust funds, are prepared using 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 and private purpose trust 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 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 *transportation sales tax fund*, a special revenue fund, accounts for 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.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

The *capital projects fund* is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

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.

The *parking facilities fund* is used to account for revenues and expenses resulting from the operation and maintenance of city parking lots, municipal garages, and parking meters.

The *recreation services fund* is used to account for revenues and expenses for various recreational services provided by the Parks and Recreation Department for which participants are charged fees.

The *storm water utility fund* accounts for storm water funding, implementation of storm water management projects, and to provide maintenance to existing drainage facilities.

Additionally, the government reports the following fund types:

Internal service funds account for custodial and maintenance services, utility customer services, information services, public communications, fleet operations, self-insurance reserves 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 trust funds* are used to account for the accumulation of resources for pension benefit payments to qualified police and firefighter personnel.

The *private purpose trust funds* are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, or other governmental units.

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

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.

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 Equity

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, 2002, \$808,629 had been reclassified due to fund overdrafts. Fund overdrafts included: Self Insurance Reserve Internal Service Fund, \$7,786; Community Development Grant Special Revenue Fund, \$18,731; Police and Fire Retirement Fund, \$529,634; Fleet Operations Internal Service Fund, \$139,974; and Parks Sales Tax Special Revenue Fund, \$112,504.

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 investments and in accordance with City policy, no investments are reported at amortized cost. The fair values are based on quoted market prices and estimates were not used.

Collateral is required for demand deposits and certificates of deposit. The fair value of the collateral must equal 100% of the value of the investment 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, 2002.

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, Solid Waste and Storm Water Utility Funds determined by prorating actual subsequent billings.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

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.

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. 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 market 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 one exception, are depreciated using the straight-line method over the following estimated useful lives:

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

Landfill cells are depreciated using the units of consumption method.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

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). Property tax revenue becomes available within the fiscal year of the levy. Delinquent taxes expected to be received later than 60 days after the close of the fiscal year are classified as unearned 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 2002 was 4% in January, increased by 2% in each succeeding month up through September for a maximum of 20%.

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, scheduled holiday leave and vested accumulated sick leave is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

10. 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.

Restricted – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

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

11. New Accounting Pronouncements

Effective October 1, 2001, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments* and Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*. These Statements establish new financial reporting requirements and significantly change the format and content of the City's financial statements. They require new information and restructure much of the information that the City has presented in the past.

Effective October 1, 2001, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 38, *Certain Financial Statement Note Disclosures*. This Statement modifies, establishes, and rescinds certain financial statement note disclosures.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

Effective October 1, 2001, the City adopted the provisions of Governmental Accounting Standards Board Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. This Interpretation clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in governmental funds. There was no significant impact on the City's financial statements as a result of adopting this Interpretation.

12. 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 fund types within the fund financial statements.

13. 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, 2002

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 services, public communications, fleet operations, self insurance, and employee benefits.” The 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:

Cash and investments	\$7,259,340
Accounts receivable	242,632
Accrued interest	25,072
Inventory	441,610
Other assets – current	705
Investments	10,062,627
Accounts payable	(1,262,820)
Interest payable	(434)
Accrued payroll and payroll taxes	(304,857)
Due to other funds	(147,760)
Other liabilities – current	(49,022)
Incurred but not reported claims	<u>(716,460)</u>
Net adjustment to increase fund balance- total governmental funds to arrive at net assets-governmental activities	<u>\$15,550,633</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 services, 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	\$1,734,427
Change in Net Assets of Internal Service Funds Reported with Business-Type Activities	(486,497)
Depreciation – all Internal Service Funds	219,608
Depreciation – Internal Service Funds Reported with Business-Type Activities	<u>(2,183)</u>
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	<u>\$1,465,355</u>

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

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).

The City incurs certain contractual liabilities with respect to enterprise fund construction projects, which do not result in cash inflows to the City. At September 30, 2002, \$3,399,372 in construction contracts payable was reported in the Enterprise Funds.

B. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) 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 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 Police and Firefighters' Retirement Plans, pension 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, 2002, the bank balances in the City's checking accounts were \$601,682.

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, 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."

Investments are categorized to give an indication of the level of custodial risk. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by a financial institution's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

securities are held by the broker, dealer, or financial institution, or financial institution's trust department or safekeeping department or agent but not in the City's name. All City investments and cash with fiscal agents, subject to the categorization outlined above, are in Category 1. The cost and the fair value of the City's investments at September 30, 2002 follows:

	Cost	Fair Value
U.S. Government Securities	\$ 119,512,376	\$ 126,050,670
Taxable Municipal Bonds	3,743,310	6,794,130
Corporate Bonds	12,515,444	13,810,917
Tax-Exempt Securities	326,484	595,310
Repurchase Agreements	1,979,000	1,979,000
	138,076,614	149,230,027
Investments not subject to categorization:		
Money Market Accounts	38,519,981	38,519,981
Mutual Funds	25,890,513	22,951,760
Total Investments	\$ 202,487,108	\$ 210,701,768

A reconciliation of cash and cash equivalents as shown on the Government-Wide Statement of Net Assets is as follows:

		September 30, 2002																												
Fair value of investments		\$ 210,701,768																												
Cash on hand		22,100																												
Cash with fiscal agents		21,184,494																												
Imprest accounts		(1,301,049)																												
Health Insurance, net		222																												
Total		\$ 230,607,535																												
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;"></th> <th style="text-align: center; border-bottom: 1px solid black;">Government- Wide Statement of Net Assets</th> <th style="text-align: center; border-bottom: 1px solid black;">Fiduciary Funds Statement of Net Assets</th> <th style="text-align: center; border-bottom: 1px solid black;">Total</th> </tr> </thead> <tbody> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right;">\$ 91,355,208</td> <td style="text-align: right;">\$ 349,782</td> <td style="text-align: right;">\$ 91,704,990</td> </tr> <tr> <td>Investments</td> <td style="text-align: right;">17,653,478</td> <td style="text-align: right;">52,977,155</td> <td style="text-align: right;">70,630,633</td> </tr> <tr> <td>Restricted assets:</td> <td></td> <td></td> <td></td> </tr> <tr> <td> Cash and cash equivalents</td> <td style="text-align: right;">66,061,054</td> <td style="text-align: center;">—</td> <td style="text-align: right;">66,061,054</td> </tr> <tr> <td> Customer security and escrow deposits</td> <td style="text-align: right; border-bottom: 1px solid black;">2,210,858</td> <td style="text-align: center; border-bottom: 1px solid black;">—</td> <td style="text-align: right; border-bottom: 1px solid black;">2,210,858</td> </tr> <tr> <td> Total</td> <td style="text-align: right; border-bottom: 3px double black;">\$ 177,280,598</td> <td style="text-align: right; border-bottom: 3px double black;">\$ 53,326,937</td> <td style="text-align: right; border-bottom: 3px double black;">\$ 230,607,535</td> </tr> </tbody> </table>				Government- Wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total	Cash and cash equivalents	\$ 91,355,208	\$ 349,782	\$ 91,704,990	Investments	17,653,478	52,977,155	70,630,633	Restricted assets:				Cash and cash equivalents	66,061,054	—	66,061,054	Customer security and escrow deposits	2,210,858	—	2,210,858	Total	\$ 177,280,598	\$ 53,326,937	\$ 230,607,535
	Government- Wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total																											
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Restricted assets:																														
Cash and cash equivalents	66,061,054	—	66,061,054																											
Customer security and escrow deposits	2,210,858	—	2,210,858																											
Total	\$ 177,280,598	\$ 53,326,937	\$ 230,607,535																											

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

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 5% to 18% 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. The fair value of securities underlying repurchase agreements are determined monthly and significant variances below this required level did not occur. The level of repurchase agreements throughout the year is not significantly different than at year-end.

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.

V. RECEIVABLES AND PAYABLES

Balance at September 30, 2002 were as follows:

	Accounts	Accrued Interest	Grants Receivable/ Rehabilitation Loan	Taxes	Total Receivables	Allowance for Doubtful Accounts	Receivables, Net
Governmental activities:							
General	\$ 258,995	\$ 47,396	\$ 204,102	\$ 7,719,371	\$ 8,229,864	\$ (8,584)	822,1280
Transportation Sales Tax	-	4,641	-	705,793	710,434	-	710,434
Capital Projects	1,395	93,463	-	-	94,858	-	94,858
Non-major Governmental Funds	1,126,924	134,664	5,118,182	1,124,730	7,504,500	(41,107)	7,463,393
Internal Service Funds	242,632	25,072	-	-	267,704	-	267,704
Total - governmental activities	\$ 1,629,946	\$ 305,236	\$ 5,322,284	\$ 9,549,894	\$ 16,807,360	\$ (49,691)	\$ 16,757,669
Business-type activities:							
Water and Electric Utility	\$ 107,475,025	\$ 154,497	\$ -	\$ -	\$ 10,629,522	\$ -	\$ 10,629,522
Sanitary Sewer Utility	1,118,338	32,779	-	-	1,151,117	(169,053)	982,064
Solid Waste Utility	1,197,819	23,136	-	-	1,220,955	(230,364)	990,591
Parking Facilities	69,921	16,573	-	-	86,494	-	86,494
Recreation Services	75	14,827	-	-	14,902	-	14,902
Storm Water Utility	127,996	8,910	-	-	136,906	(22,937)	113,969
Non-major Proprietary Funds	147,565	8,046	-	-	155,611	-	155,611
Internal Service Funds	179,941	3,549	-	-	183,490	-	183,490
Total - business-type activities	\$ 110,316,680	\$ 262,317	\$ -	\$ -	\$ 13,578,997	\$ (422,354)	\$ 13,156,643

All payables due to vendors are expected to be paid within one year.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

VI. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2002 was as follows:

	<u>Balance October 1, 2001</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance September 30, 2002</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 16,787,628	\$ 161,945	\$ (305,657)	\$ 16,643,916
Construction in process	4,141,721	5,043,621	(6,864,641)	2,320,701
Total capital assets, not being depreciated	<u>20,929,349</u>	<u>5,205,566</u>	<u>(7,170,298)</u>	<u>18,964,617</u>
Capital assets, being depreciated:				
Buildings	16,653,342	3,595,917	(362,037)	19,887,222
Improvements other than buildings	5,989,217	1,670,963	—	7,660,180
Furniture, fixtures and equipment	20,645,028	2,300,600	(960,661)	21,984,967
Infrastructure	58,011,070	957,528	—	58,968,598
Total capital assets being depreciated	<u>101,298,657</u>	<u>8,525,008</u>	<u>(1,322,698)</u>	<u>108,500,967</u>
Less accumulated depreciation for:				
Buildings	(6,497,245)	(373,847)	—	(6,871,092)
Improvements other than buildings	(1,392,253)	(148,164)	—	(1,540,417)
Furniture, fixtures and equipment	(12,362,756)	(1,429,983)	580,217	(13,212,522)
Infrastructure	(13,788,276)	(1,161,552)	—	(14,949,828)
Total accumulated depreciation	<u>(34,040,530)</u>	<u>(3,113,546)</u>	<u>580,217</u>	<u>(36,573,859)</u>
Total capital assets, being depreciated, net	<u>67,258,127</u>	<u>5,411,462</u>	<u>(742,481)</u>	<u>71,927,108</u>
Governmental activities capital assets, net	<u>\$ 88,187,476</u>	<u>\$ 10,617,028</u>	<u>\$ (7,912,779)</u>	<u>\$ 90,891,725</u>

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

	<u>Balance October 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2002</u>
Business-type activities:				
<i>Water & Electric Utility:</i>				
Capital assets, not being depreciated:				
Land and land rights	\$ 1,894,462	\$ 517,101	\$ —	\$ 2,411,563
Construction in progress	8,444,635	10,079,876	(11,266,303)	7,258,208
Total capital assets not being depreciated	10,339,097	10,596,977	(11,266,303)	9,669,771
Capital assets, being depreciated:				
Structures and improvements	19,170,905	1,121,909	—	20,292,814
Furniture, fixtures and equipment	157,637,459	14,067,174	(551,608)	171,153,025
Total capital assets being depreciated	176,808,364	15,189,083	(551,608)	191,445,839
Less accumulated depreciation for:				
Structures and improvements	7,324,457	386,048	—	7,710,505
Furniture, fixtures and equipment	66,901,217	5,928,341	(481,289)	72,348,269
Total accumulated depreciation	74,225,674	6,314,389	(481,289)	80,058,774
Total capital assets being depreciated, net	102,582,690	8,874,694	(70,319)	111,387,065
Water & Electric Utility capital assets, net	112,921,787	19,471,671	(11,336,622)	121,056,836
<i>Sanitary Sewer Utility:</i>				
Capital assets, not being depreciated:				
Land and land rights	2,182,843	191,639	—	2,374,482
Construction in progress	1,203,244	1,302,962	(2,131,919)	374,287
Total capital assets not being depreciated	3,386,087	1,494,601	(2,131,919)	2,748,769
Capital assets, being depreciated:				
Structures and improvements	131,680,198	3,364,230	—	135,044,428
Furniture, fixtures and equipment	3,900,003	370,111	(212,504)	4,057,610
Total capital assets being depreciated	135,580,201	3,734,341	(212,504)	139,102,038
Less accumulated depreciation for:				
Structures and improvements	24,345,520	2,131,876	—	26,477,396
Furniture, fixtures and equipment	2,630,834	241,917	(183,262)	2,689,489
Total accumulated depreciation	26,976,354	2,373,793	(183,262)	29,166,885

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

	Balance October 1, 2001	Additions	Deductions	Balance September 30, 2002
Total capital assets being depreciated, net	\$ 108,603,847	\$ 1,360,548	\$ (29,242)	\$ 109,935,153
Sanitary Sewer Utility capital assets, net	111,989,934	2,855,149	(2,161,161)	112,683,922
<i>Solid Waste Utility</i>				
Capital assets, not being depreciated:				
Land and land rights	251,071	—	—	251,071
Construction in progress	854,058	3,845,092	(1,958,723)	2,740,427
Total capital assets not being depreciated	1,105,129	3,845,092	(1,958,723)	2,991,498
Capital assets, being depreciated:				
Structures and improvements	6,765,007	1,823,604	—	8,588,611
Furniture, fixtures and equipment	9,194,323	1,135,905	(359,606)	9,970,622
Total capital assets being depreciated	15,959,330	2,959,509	(359,606)	18,559,233
Less accumulated depreciation for:				
Structures and improvements	4,849,265	688,641	—	5,537,906
Furniture, fixtures and equipment	4,515,681	677,570	(324,287)	4,868,964
Total accumulated depreciation	9,364,946	1,366,211	(324,287)	10,406,870
Total capital assets being depreciated, net	6,594,384	1,593,298	(35,319)	8,152,363
Solid Waste Utility capital assets, net	7,699,513	5,438,390	(1,994,042)	11,143,861
<i>Parking Facilities:</i>				
Capital assets, not being depreciated:				
Land and land rights	1,603,273	—	—	1,603,273
Construction in progress	—	29,523	(29,523)	—
Total capital assets not being depreciated	1,603,273	29,523	(29,523)	1,603,273
Capital assets, being depreciated:				
Structures and improvements	14,221,820	29,523	—	14,251,343
Furniture, fixtures and equipment	293,768	—	—	293,768
Total capital assets being depreciated	14,515,588	29,523	—	14,545,111
Less accumulated depreciation for:				
Structures and improvements	3,664,497	595,018	—	4,259,515
Furniture, fixtures and equipment	224,926	9,839	—	234,765
Total accumulated depreciation	3,889,423	604,857	—	4,494,280
Total capital assets being depreciated, net	10,626,165	(575,334)	—	10,050,831
Parking facilities capital assets, net	12,229,438	(545,811)	(29,523)	11,654,104

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

	Balance October 1, 2001	Additions	Deductions	Balance September 30, 2002
<i>Recreation Services:</i>				
Capital assets, not being depreciated:				
Land and land rights	\$ 398,674	\$ —	\$ —	\$ 398,674
Construction in progress	2,512,110	7,492,737	(885,553)	9,119,294
Total capital assets not being depreciated	2,910,784	7,492,737	(885,553)	9,517,968
Capital assets, being depreciated:				
Structures and improvements	5,866,508	850,430	—	6,716,938
Furniture, fixtures and equipment	629,228	75,232	—	704,460
Total capital assets being depreciated	6,495,736	925,662	—	7,421,398
Less accumulated depreciation for:				
Structures and improvements	2,149,052	149,925	—	2,298,977
Furniture, fixtures and equipment	253,933	66,488	—	320,421
Total accumulated depreciation	2,402,985	216,413	—	2,619,398
Total capital assets being depreciated, net	4,092,751	709,249	—	4,802,000
Recreation Services capital assets, net	7,003,535	8,201,986	(885,553)	14,319,968
<i>Storm Water Utility:</i>				
Capital assets, not being depreciated:				
Land and land rights	21,292	52	—	21,344
Construction in progress	254,954	218,571	(333,456)	140,069
Total capital assets not being depreciated	276,246	218,623	(333,456)	161,413
Capital assets, being depreciated:				
Structures and improvements	5,118,734	744,820	—	5,863,554
Furniture, fixtures and equipment	247,465	11,048	—	258,513
Total capital assets being depreciated	5,366,199	755,868	—	6,122,067
Less accumulated depreciation for:				
Structures and improvements	1,001,571	222,433	—	1,224,004
Furniture, fixtures and equipment	116,146	27,548	—	143,694
Total accumulated depreciation	1,117,717	249,981	—	1,367,698
Total capital assets being depreciated, net	4,248,482	505,887	—	4,754,369
Storm Water Utility capital assets, net	4,524,728	724,510	(333,456)	4,915,782

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

	<u>Balance October 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2002</u>
<i>Non-major Enterprise Funds, including Internal Service Funds' capital assets that relate to business-type activities:</i>				
Capital assets, not being depreciated:				
Land and land rights	\$ 1,632,525	\$ —	\$ (720)	\$ 1,631,805
Construction in progress	1,595,630	1,502,533	(2,914,864)	183,299
Total capital assets not being depreciated	<u>3,228,155</u>	<u>1,502,533</u>	<u>(2,915,584)</u>	<u>1,815,104</u>
Capital assets, being depreciated:				
Structures and improvements	18,853,218	2,233,575	(41,822)	21,044,971
Furniture, fixtures and equipment	5,886,326	847,116	(90,491)	6,642,951
Total capital assets being depreciated	<u>24,739,544</u>	<u>3,080,691</u>	<u>(132,313)</u>	<u>27,687,922</u>
Less accumulated depreciation for:				
Structures and improvements	6,783,834	406,203	(25,542)	7,164,495
Furniture, fixtures and equipment	1,697,731	653,006	(78,229)	2,272,508
Total accumulated depreciation	<u>8,481,565</u>	<u>1,059,209</u>	<u>(103,771)</u>	<u>9,437,003</u>
Total capital assets being depreciated, net	<u>16,257,979</u>	<u>2,021,482</u>	<u>(28,542)</u>	<u>18,250,919</u>
Non-major Enterprise Funds and related Internal Service Funds capital assets, net	<u>19,486,134</u>	<u>3,524,015</u>	<u>(2,944,126)</u>	<u>20,066,023</u>
Total business-type activities capital assets, net	<u>\$ 275,855,069</u>	<u>\$ 39,669,910</u>	<u>\$ (19,684,483)</u>	<u>\$ 295,840,496</u>

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

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

Governmental activities:

Police Development	\$	204,388
Public Safety		785,928
Transportation		1,471,159
Health and Environment		14,688
Personal Development		419,958
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		<u>217,425</u>
Total depreciation expense - governmental-type activities:	\$	<u><u>3,113,546</u></u>

Business-type activities:

Major funds:

Water and Electric	\$	6,314,210
Sanitary Sewer		2,373,974
Solid Waste		1,366,210
Parking Facilities		604,857
Recreational Services		216,413
Storm Water Utility		249,981
Non-major enterprise funds		<u>1,059,208</u>

Total depreciation expense - business-type activities: \$ 12,184,853

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

VII. COMMITMENTS

A. Construction Commitments

At September 30, 2002, construction contract commitments of the City were:

	Amounts
Major Governmental Fund:	
Capital Projects Fund	\$ 608,336
Enterprise Funds:	
Major Funds:	
Water and Electric Utility	1,194,395
Sanitary Sewer Utility	2,089,530
Recreation Services	1,505,994
Storm Water Utility	457,240
Nonmajor Funds:	
Airport	25,166
Public Transportation	79,420
Total Enterprise Funds	5,351,745
Total	\$ 5,960,081

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 charged to 110% of the energy costs.

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 2002, the City paid a demand charge of \$8.115 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 5.9% 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 Water and Electric Utility has an agreement with Ameren Energy Marketing to purchase electric power effective through December 31, 2014. The City agreed to purchase 20 Megawatts during the period June 1, 2001 until December 31, 2001, 25 megawatts during the period January 1, 2002 until December 31, 2002, and 36 megawatts during the period January 1, 2003 until the end of the contract term. The City paid a capacity charge of \$5.25/kW-month through December 31, 2001. Effective January 1, 2002, and each subsequent contract year thereafter, the capacity charge shall increase by 2.5%. The City pays an energy charge each month for all energy

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

deliveries calculated as follows: actual fuel cost + (variable operations and maintenance cost * energy delivered) + (start charges * the number of individual unit starts).

C. Obligation to Purchase Coal

The City has a purchase contract with Massey Coal Sales to buy coal for the municipal electric generating plant. The City will require approximately 40,000 tons per year for the contract term beginning June 1, 2002, and ending May 31, 2005 at a price subject to annual adjustment based on the final Producers Price Indexes as published by the U.S. Department of Labor. The price per ton for the fiscal year ending September 30, 2002 was \$35.00 per ton. This price is adjusted monthly based on the average BTU/LB content for coal delivered during the month.

VIII. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivable and payable balances at September 30, 2002 are as follows:

	Interfund receivables	Interfund payables
Major Governmental Funds:		
General Fund	\$ 1,670,688	\$ —
Capital Projects Fund	—	460,440
Nonmajor governmental funds - permanent fund	1,682,578	448,282
Enterprise Funds:		
Major Funds:		
Water and Electric Utility	121,771	846,182
Recreation Services	—	557,873
Sanitary Sewer Utility	—	38,000
Nonmajor enterprise	—	446,866
Internal Service Funds	—	147,760
Trust Funds:		
Pension Trust	—	529,634
Total	\$ 3,475,037	\$ 3,475,037

Interfund payables at September 30, 2002 include \$557,873 in the Recreation Services Fund, \$325,095 in the Regional Airport Fund and \$38,000 in the Sanitary Sewer Utility Fund that are classified as Current Liabilities Payable from Restricted Assets because the funds advanced from the Designated Loan Fund were restricted for use on capital projects. These advances generally are not scheduled to be repaid in the next fiscal year.

Advances of \$460,440 from the 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.

Fund overdraws of pooled cash account for \$808,629 of interfund payables and a receivable in the General Fund. Detail by fund for these payables is included on page 50.

Payment in lieu of taxes of \$846,182 is reported as a receivable in the General Fund and a payable in the Water and Electric Utility.

During fiscal year 2002, a transaction of \$301,170 formerly reported as a capital lease was reclassified as an interfund loan between the Convention and Visitor's Bureau and the Designated Loan Fund, both are nonmajor governmental funds. This will be repaid in December 2004.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

A loan, with a balance of \$121,771, from the Water and Electric Utility to the Railroad Fund for the purchase of a locomotive will not be repaid in the next fiscal year. A \$15,877 receivable in the General Fund for nuisance abatements, due from the Designated Loan Fund, will be repaid within the next fiscal year.

Interfund transfers consisted of the following amounts:

	Transfer From										Total
	General Fund	Transportation Sales Tax	Capital Projects	Nonmajor Governmental	Water and Electric	Sanitary Sewer	Parking Facilities	NonMajor Enterprise	Internal Service	Fiduciary Funds	
Major Governmental Funds:											
General Fund	\$ -	\$ 4,432,315	\$ 37,728	\$ 558,124	\$ 7,189,445	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,217,612
Transportation Sales Tax	-	-	520,919	-	-	-	-	18,957	-	-	539,876
Capital Projects	696,170	218,000	-	3,212,389	-	28,400	3,506	-	-	-	4,158,465
Nonmajor Governmental	501,330	-	108,081	2,741,414	-	-	-	-	-	5,078	3,355,903
Major Enterprise Funds:											
Water and Electric	-	-	-	-	-	-	-	-	26,468	-	26,468
Sanitary Sewer	-	-	1,000	-	-	-	-	-	-	-	1,000
Parking Facilities	172,000	-	-	-	-	-	-	-	-	-	172,000
Recreation Services	1,500,000	-	-	2,937,526	-	-	-	-	-	-	4,437,526
Nonmajor Enterprise	-	2,262,574	-	-	50,000	-	-	-	-	-	2,312,574
Internal Service	-	-	13,070	-	-	-	-	-	-	-	13,070
Total	\$ 2,869,500	\$ 6,912,889	\$ 680,798	\$ 9,449,453	\$ 7,239,445	\$ 28,400	\$ 3,506	\$ 18,957	\$ 26,468	\$ 5,078	\$ 27,234,494

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.

During the year ended September 30, 2002, \$970,000 was transferred from the Park Sales Tax Fund to the Capital Projects Fund for development of Stephen's Lake Park. A one-time transfer of \$520,919 was made from the Capital Projects Fund to the Transportation Sales Tax Fund as a result of closing complete projects.

Included in the transfers schedule, is a transfer from the Water and Electric Utilities Fund to the General Fund of \$7,180,013. The transfer represents PILOT payments.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

IX. LONG-TERM LIABILITIES

A. Changes in Long-term Liabilities

	<u>Balance October 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2002</u>	<u>Current Portion</u>
Governmental Activities:					
General Obligation Bonds:					
1992 Refunding	\$ 2,125,000	\$ —	\$ —	\$ 2,125,000	\$ 1,425,000
Special Obligation Bonds:					
<i>Internal Service Funds:</i>					
1988 Insurance Reserve Series A	25,000,000	—	(25,000,000)	—	—
Certificates of Participation:					
2001 A Series					
Fire Station	4,405,000	—	(793,500)	3,611,500	822,000
Health Center	2,085,000	—	—	2,085,000	—
Total Certificates of Participation	6,490,000	—	(793,500)	5,696,500	822,000
Capital Lease Obligations					
<i>Governmental Funds:</i>					
General Long-term Debt	7,301,440	—	(301,440)	7,000,000	—
<i>Special Revenue Funds:</i>					
Convention and Tourism	47,637	—	(47,637)	—	—
<i>Internal Service Funds:</i>					
Information Services	136,601	—	(136,601)	—	—
Total Capital Lease Obligations	7,485,678	—	(485,678)	7,000,000	—
Accrued Compensated Absences					
Claims Payable	1,260,347	—	(11,932)	1,248,415	—
	828,069	—	(111,609)	716,460	—
Total Governmental Activities	\$ 43,189,094	\$ —	\$ (26,402,719)	\$ 16,786,375	\$ 2,247,000

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

	Balance October 1, 2001	Additions	Deductions	Balance September 30, 2002	Current Portion
Business-type Activities:					
Certificates of Participation:					
2001 A Series - Recreation Services	\$ 10,500,000	\$ —	\$ (1,851,500)	\$ 8,648,500	\$ 1,918,000
Enterprise Funds Revenue Bonds:					
<i>Water & Electric Utility:</i>					
1985 Water and Electric Series B	15,500,000	—	—	15,500,000	—
1992 Water and Electric	16,625,000	—	(2,980,000)	13,645,000	3,145,000
1998 Water and Electric	28,185,000	—	(55,000)	28,130,000	60,000
2002 Water and Electric	—	16,490,000	—	16,490,000	205,000
Total Water & Electric Utility	<u>60,310,000</u>	<u>16,490,000</u>	<u>(3,035,000)</u>	<u>73,765,000</u>	<u>3,410,000</u>
<i>Sanitary Sewer Utility:</i>					
1979 Sanitary Sewer System	1,055,000	—	(240,000)	815,000	255,000
1992 Sanitary Sewer System	8,475,000	—	(8,475,000)	—	—
1992 Sanitary Sewer System Series B	635,000	—	(35,000)	600,000	40,000
1992 Sanitary Sewer System Refunding	195,000	—	(95,000)	100,000	100,000
1999 Sanitary Sewer System Series A	3,570,000	—	(165,000)	3,405,000	165,000
1999 Sanitary Sewer System Series B	1,360,000	—	(60,000)	1,300,000	60,000
2000 Sanitary Sewer System Series B	2,445,000	—	(105,000)	2,340,000	105,000
2002 Sanitary Sewer System Series A	—	2,230,000	—	2,230,000	—
2002 Sanitary Sewer System Refunding	—	7,940,000	—	7,940,000	—
Total Sanitary Sewer	<u>17,735,000</u>	<u>10,170,000</u>	<u>(9,175,000)</u>	<u>18,730,000</u>	<u>725,000</u>
<i>Parking Facilities:</i>					
1995 Parking Facilities	3,050,000	—	(85,000)	2,965,000	90,000
Total Enterprise Funds Revenue Bonds	<u>81,095,000</u>	<u>26,660,000</u>	<u>(12,295,000)</u>	<u>95,460,000</u>	<u>4,225,000</u>
Enterprise Funds Special Obligation Bonds:					
<i>Sanitary Sewer Utility:</i>					
2001 Sanitary Sewer	—	2,685,000	—	2,685,000	100,000
<i>Parking Facilities:</i>					
1996 Parking Facilities	5,830,000	—	(270,000)	5,560,000	275,000
Non-major Enterprise Funds					
1996 Refuse System	4,125,000	—	(190,000)	3,935,000	200,000
2001 Refuse System	—	4,640,000	—	4,640,000	175,000
Total non-major Enterprise Funds	<u>4,125,000</u>	<u>4,640,000</u>	<u>(190,000)</u>	<u>8,575,000</u>	<u>375,000</u>
Total Enterprise Funds Special Obligation Bonds	<u>9,955,000</u>	<u>7,325,000</u>	<u>(460,000)</u>	<u>16,820,000</u>	<u>750,000</u>
Accrued Compensated Absences	979,382	17,073	—	996,455	—
Accrued landfill closure/post closure care cost	<u>2,827,015</u>	<u>608,236</u>	<u>—</u>	<u>3,435,251</u>	<u>—</u>
Total business-type long-term liabilities	<u>\$ 105,356,397</u>	<u>\$ 34,610,309</u>	<u>\$ (14,606,500)</u>	<u>\$ 125,360,206</u>	<u>\$ 6,893,000</u>

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

Bonds payable in the government-wide and proprietary fund financial statements are shown net of the related discounts. Discount amounts are \$449,917 for the Enterprise Funds.

B. Debt Service Requirements to Maturity

The annual requirements to amortize all bonded debt and the 2001A certificates of participation outstanding as of September 30, 2002, including interest payments of \$54,540,901, are as follows:

Year ending September 30	Governmental Activities:				Business-type Activities:			
	General Obligation		Certificates of Participation 2001A		Special Obligation 1996 and 2001		Certificates of Participation 2001A	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 2,125,000	\$ 38,500	\$ 822,000	\$ 230,583	\$ 750,000	\$ 800,603	\$ 1,918,000	\$ 304,920
2004	—	—	885,000	196,442	785,000	766,246	2,065,000	225,260
2005	—	—	949,500	159,753	815,000	729,866	2,215,500	139,650
2006	—	—	955,000	120,332	850,000	691,335	2,450,000	47,670
2007	—	—	100,000	97,902	890,000	650,448	—	—
2008–2012	—	—	575,000	420,107	5,115,000	2,551,050	—	—
2013–2017	—	—	710,000	270,775	5,545,000	1,125,411	—	—
2018–2022	—	—	700,000	74,312	2,070,000	202,940	—	—
2023–2027	—	—	—	—	—	—	—	—
	<u>\$ 2,125,000</u>	<u>\$ 38,500</u>	<u>\$ 5,696,500</u>	<u>\$ 1,570,206</u>	<u>\$ 16,820,000</u>	<u>\$ 7,517,899</u>	<u>\$ 8,648,500</u>	<u>\$ 717,500</u>

Business-type Activities: (continued)

Year ending September 30	Revenue Bonds						TOTAL DEBT SERVICE REQUIREMENTS TO MATURITY	
	Water and Electric		Sanitary Sewer Utility		Parking Facilities		Principal	Interest
	Principal	Interest*	Principal	Interest	Principal	Interest		
2003	\$ 3,410,000	\$ 3,259,430	\$ 725,000	\$ 684,289	\$ 90,000	\$ 167,517	\$ 9,840,000	\$ 5,485,842
2004	3,635,000	2,946,186	935,000	750,255	95,000	163,052	8,400,000	5,047,441
2005	3,820,000	2,746,406	975,000	710,934	100,000	158,224	8,875,000	4,644,833
2006	4,215,000	2,528,298	985,000	675,876	105,000	153,047	9,560,000	4,216,558
2007	2,015,000	2,358,431	995,000	643,048	110,000	147,509	4,110,000	3,897,338
2008–2012	11,570,000	10,062,582	5,360,000	2,625,237	665,000	141,469	23,285,000	15,800,445
2013–2017	25,935,000	6,819,304	5,810,000	1,423,728	495,000	494,791	38,495,000	10,134,009
2018–2022	12,165,000	3,324,954	2,810,000	287,634	1,305,000	436,670	19,050,000	4,326,510
2023–2027	7,000,000	710,500	135,000	3,375	—	274,050	7,135,000	987,925
	<u>\$ 73,765,000</u>	<u>\$ 34,756,091</u>	<u>\$ 18,730,000</u>	<u>\$ 7,804,376</u>	<u>\$ 2,965,000</u>	<u>\$ 2,136,329</u>	<u>\$ 128,750,000</u>	<u>\$ 54,540,901</u>

* Water and Electric Utility 1985 Series B Revenue Bonds principal payment of \$15,500,000 is due December 1, 2015, and variable rate interest is determined weekly and paid monthly. The interest rate is determined by the Remarketing Agent based on current market rates of similar issues. The interest rate on September 30 was 1.7%, and the effective interest rate for the fiscal year was 1.44%. Annual interest of 1.7% is included through December 1, 2015 for this issue.

C. General Obligation Bonds—1992 Refunding Series

General obligation bonds are supported by a pledge of the City's full faith and credit. These bonds, which are reported in the government-wide statement of net assets, were issued to finance various capital projects. \$1,190,238 is available in the City's Debt Service Funds to repay general obligation bonds. The remainder of the general obligation bonds is to be repaid from future property tax levies.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

In August of 1992, the City issued \$16,670,000 in General Obligation Bonds for the purpose of refunding all of the City's General Obligation Street and Bridge Bond Series 1986, General Obligation Street and Bridge Bond Series 1983, and General Obligation Fire Protection Bond Series 1982, each of which were subject to redemption prior to maturity. Total outstanding on the refunded bonds was \$16,280,000. Interest payments on the new bonds are due on April 1 and October 1. Principal payments are due on October 1 each year. The final payment is due on October 1, 2003. Interest rates on this issue range from 2.75% to 9%.

D. Special Obligation Refunding and Capital Improvement Bonds—1996 Series

In September of 1996, the City issued \$24,410,000 of Special Obligation Refunding and Capital Improvement Bonds for the purpose of refunding the 1986 Parking Facilities Certificates of Participation, the 1986 Refuse System Revenue Bonds and to fund the costs of various capital improvements to be purchased and constructed. 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, 2016. Interest rates on this issue range from 3.75% to 5.45%.

The \$24,410,000 debt consisted of the following: (i) \$12,335,000 for various capital improvements for which the outstanding balance is reported in the government-wide statement of net assets; (ii) \$7,120,000 in the Parking Facilities Enterprise Fund; and (iii) \$4,955,000 in the Solid Waste Enterprise Fund. The apportionment of the \$12,335,000 consisted of \$5,465,000 for capital improvement sales tax projects approved by the voters of the City in November 1995 and \$6,870,000 for Route PP and B highway projects. The Parking Facilities portion consisted of \$2,620,000 to refund the City's outstanding \$2,265,000 1986 Parking Facilities Certificates of Participation and \$4,500,000 for improvements to the City's parking facilities. The Solid Waste portion consisted of \$685,000 to refund the City's outstanding \$685,000 1986 Refuse System Revenue Bonds and \$4,270,000 for landfill projects required for compliance with Subtitle D and Missouri Department of Natural Resources regulations.

These bonds are special obligations of the City payable solely from the annual appropriation of funds by the City for that purpose. The bond ordinance requires the City to establish, maintain and collect rates and charges for the use and services furnished by and through its Parking System and Solid Waste Disposal System to pay for operating and maintenance costs, principal and interest on the bonds and reserve accounts.

E. Certificates of Participation Series 2001A

In May 2001, \$16,990,000 of insured Certificates of Participation were issued for the purpose of funding construction of the new recreation center, constructing and equipping the new fire station, construction and improvements of the new health clinic, and renovation and improvement of city administrative facilities. Rental payments are due on February 1 and August 1 each year. The final payment is due February 1, 2021. Interest rates range from 4% to 5.125%. Rental payments are payable solely from amounts which may, but are not required to be, appropriated annually by the City. The City has not pledged general tax revenues, funds, or moneys to pay this obligation.

The base lease between the City as lessor and First Bank of Missouri as lessee and trustee transfers a leasehold interest in certain real estate held by the City to the trustee. The term of the base lease is May 1, 2001 through February 1, 2041, or the date the Certificates have been paid in full, whichever is earlier. A second lease between First Bank of Missouri as lessor and the City as lessee leases the properties to the City for rental payments through February 1, 2021. Title to the leased property shall remain in the City at all times.

The \$16,990,000 consisted of the following: \$4,405,000 for construction and equipping the new fire station and \$2,085,000 for construction and improvement of the new health clinic and renovation and improvement of city administrative facilities. The Recreation Services Fund portion of \$10,500,000 is to construct and equip the new recreation center. The new fire station and the recreation center are capital improvement sales tax projects approved by the voters of the City in November 1999.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

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.

G. Water and Electric Revenue Bonds—2002 Series, 1998 Series, 1992 Series, 1985 Refunding Series, and 1985 Series B

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. 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. The interest rates on this issue range from 3.75% to 6.00%.

In August of 1992, the City issued \$34,140,000 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. \$23,140,000 of the bonds were issued to refund \$19,265,000 of the outstanding 1985 Water and Electric Refunding Bonds, and \$11,000,000 were 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, 2012. Bonds maturing on October 1, 2012 are subject to redemption prior to maturity at the option of the City at any time on or after October 1, 2002 at par plus a premium of 2% reduced by 1% each year thereafter. The interest rates on this issue range from 2.75% to 6.125%.

In December of 1985, the City issued \$15,500,000 of Water and Electric System Revenue Bonds, Series B. The bonds are to be paid by the net revenues of the system and are secured by a first lien on those revenues. The bonds were issued to provide funding for capital improvement projects of the system's power generating facility. The entire principal amount is due upon the bond's maturity, December 1, 2015. Interest is paid monthly and is based on a variable rate determined weekly. The variable rate is convertible to a daily rate, variable interest term rate or a fixed rate at the City's option.

During any daily, or weekly interest rate period, the owner of any 1985 Series B Bond may require the repurchase of the bond at the principal amount, plus accrued interest on any business day upon certain notice requirements. During

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

any variable interest rate period, the owner of any 1985 Series B Bond may require the repurchase of the bond at the principal amount, plus accrued interest on any interest payment date. The Bonds are subject to mandatory repurchase upon the conversion to any new interest rate period, unless the owner elects to retain the same. The remarketing agent, Smith Barney, Harris Upham & Co., is authorized to sell the repurchased bonds at the best price available, but in no event less than the principal amount plus accrued interest, if any.

The 1985 Series B Bonds are further secured by an irrevocable letter of credit, in the amount of \$17,313,288, issued by the Toronto-Dominion Bank, Chicago Branch, which has a termination date of December 11, 2002. The letter of credit permits drawings by the trustee of up to the aggregate principal amount of the outstanding bonds plus up to 305 days accrued interest. Under this agreement, interim loans made on the letter of credit may be converted to a term loan if requested by the City on the termination date. The term loan would bear interest at a rate per annum equal to either, (i) the prime rate in effect at the time of issue, (ii) the applicable adjusted CD rate plus 5/8%, or (iii) the applicable adjusted Eurodollar rate plus 1/2%. The term loan would be repaid by the City in six equal consecutive installments of the principal on successive payment dates. There were no outstanding amounts drawn on this agreement as of September 30, 2002. The City pays a commission for this agreement of 1/2% per annum.

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:

Nature of accounts	Amount	Authorized expenditures
(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 \$8,847,243.	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, 2002

H. Sanitary Sewer Revenue Bonds—2002 Refunding Series, 2002 Series A, 2000 Series B, 1999 Series A, 1999 Series B, 1992 Series A, 1992 Series B, 1992 Refunding Series, and Series 1979

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 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 City issued \$795,000 of Sewerage System Revenue Bonds in August 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 to refund the 1982 Sewerage System Revenue Bonds. The bonds are not subject to optional redemption prior

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Notes to the Basic Financial Statements September 30, 2002

to maturity. The bonds are subject to mandatory sinking fund redemption on October 1 of each year through October 1, 2002, and payment prior to maturity at a redemption price of 100% of the principal amount redeemed plus accrued interest to the redemption date. Payments of interest payments are due on October 1 and April 1. The interest rate is 5.6% on this issue.

In August of 1979, the City issued \$3,500,000 of Sewerage System Revenue Bonds. These bonds are secured solely by the net revenues of the system. Bond ordinance requirements provide for the restricting of operating revenues after current operating expenses have been met. The bonds were issued for the purpose of extending and improving the sewerage system, including outfall sewers and wastewater treatment facilities. Interest payments are due semi-annually on October 1 and April 1. Principal payments are due each year on October 1 through October 1, 2004. Bonds maturing after October 1, 1989 are redeemable at par plus a premium of 4% reduced by 1/4% each year thereafter. The interest rates on this issue range from 5% to 7%.

The bond ordinances require 130% coverage of the highest year's debt service. In compliance with the bond ordinances, the 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 \$606,226 for the 1979 Series, 1992 Refunding and 2001 Special Obligation Series A 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.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

I. Parking Facilities Revenue Bonds—Series 1995—Ordinance No. 014615

The City issued \$3,400,000 of Parking System Revenue Bonds in September of 1995. 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 system. Payments of principal are due on October 1 of each year through October 1, 2014, and a term bond of \$1,305,000 due October 1, 2020. Interest payments are due on October 1 and April 1. The bonds are redeemable after October 1, 2003 at par plus a premium of 2% reduced by 1% each year thereafter to October 1, 2005. The interest rates range from 3.8% to 6.0% on this issue.

The bond ordinances require 120% coverage of the highest year's debt service. In compliance with the bond ordinances, the Parking Facilities 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:

Nature of accounts	Amount	Authorized expenditures
(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 1/48th of the maximum annual debt service, until said account shall equal the maximum annual debt service in the amount of \$261,865.	Payment of principal and interest due on bonds when other funds are unavailable.
(d) Revenue bond construction	To account for revenue bond issue proceeds prior to expenditure for construction of utility plant additions.	Cost of construction projects.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

J. Special Obligation Insurance Reserve Bonds—Series 1988 A and Series 1988 B—Ordinance No. 11879 and 11880

In July of 1988, the City entered into a program for Self-Insurance to cover workers compensation claims and property and casualty losses. The City issued and sold two series of bonds to establish reserves to provide for the Self-insurance program, Liquidity Reserve, and Catastrophic Loss Reserve. Series 1988A Special Obligation Insurance Reserve Bonds were issued in the amount of \$25,000,000. Series B were issued in the amount of \$4,660,000.

The Series B Bonds matured and were paid off in June 1998. The Series A Bonds were to mature in 2008. These bonds were variable rate bonds that could be retired at any time without penalty. During FY 2002, the variable interest rate that the City was paying on these bonds was quite low. The low interest rate environment increased the value of the investment portfolio and it was therefore decided to pay the Series A bonds off during FY 2002. The Self-insurance Investment portfolio was restructured and the bonds were retired in September 2002.

K. Capital Lease Agreements

On January 1, 2001, the City entered into a six-year lease purchase agreement with Stephens College for the purchase of Stephen's Lake Park. The principal amount of the lease is \$7,000,000 with an interest rate of 5.975% and a stated maturity of January 1, 2007. Semi-annual interest payments will be due through fiscal year 2006, with the principal amount due January 1, 2007 at which time ownership of the property will pass to the City. The City has the option to purchase the property on or after January 1, 2006 with 60 days notice and upon payment of interest then due plus principal.

The following is a schedule of the present value of net minimum lease payments for all of the City's capitalized leases as of September 30, 2002:

		<u>Governmental Activities</u>
Year ending September 30:		
2003	\$	418,250
2004		418,250
2005		418,250
2006		418,250
2007		7,209,125
Thereafter		<u>—</u>
Total minimum lease payments		8,882,125
Less amount representing interest		<u>(1,882,125)</u>
Present value of net minimum lease payments	\$	<u><u>7,000,000</u></u>

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

The following schedule shows the amount and asset classifications for capital lease items as of September 30, 2002:

	<u>Governmental Activities</u>
<i>Governmental Activities:</i>	
Land	\$ <u>7,000,000</u>

L. Defeasance

On September 15, 2002, the City issued \$7,940,000 in Sewer Revenue Bonds with an average interest rate of 3.6% to advance refund \$8,470,000 of outstanding 1992 Sewerage System Revenue Bonds with an average interest rate of 6.2%. The net proceeds of \$7,669,056 (after payment of \$62,192 in issuance costs and accrued interest) plus an additional \$1,277,385 were deposited in an irrevocable trust with an escrow agent to provide for the payment of principal and interest on the 1992 Sewerage System Revenue Bonds scheduled to mature in 2017, and the remaining principal and interest at the optional redemption date of October 1, 2002. As a result, the 1992 Sewerage System Revenue Bonds are considered to be defeased and the liability for those bonds has been removed from the Sewer Utility.

The reacquisition price exceeded the net carrying amount of the old debt by \$343,724. 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. This advance refunding was undertaken to reduce the total debt service payments over the next 15 years by \$2,148,788 and resulted in an economic gain of \$1,447,281.

M. Conduit Debt – Industrial Revenue Bonds

As of September 30, 2002, \$5,832,689 industrial revenue bonds are outstanding. The debt service on these issues is paid solely from the related lease agreements; these bonds do not constitute a liability of the City.

N. Legal Debt Margin

The City's legal debt margin is \$208,828,913. For more information on the legal debt margin, see Table 9 in the Statistical Data section.

X. ADVANCE REFUNDING

In the current year and prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased debts are not included in the City's government-wide financial statements. On September 30, 2002, \$17,350,000 of bonds and lease debt outstanding are considered defeased. The table below details these issues.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

Issue	Outstanding at September 30, 2002
General obligation bonds:	
1992 refunding	\$ 700,000
Enterprise funds revenue bonds/leases:	
1986 parking plaza lease/purchase agreement	1,720,000
Refuse 1986 series revenue bonds	340,000
Sanitary Sewer 1992 series revenue bonds	8,470,000
Water and electric 1992 revenue bonds	5,215,000
Water and electric 1982 series revenue bonds	905,000
Total	\$ 17,350,000

XI. 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 worker's compensation, liability, and property losses with two issues of special obligation bonds to establish reserves for self-insurance. At September 30, 2002, reserves, at fair value, included: the Catastrophe Reserve, \$0, the Replacement Catastrophic Reserve, \$707,441, and the Liquidity Reserve, \$9,349,153. A detailed description of the self-insurance bond issue transaction is included in note IX. Long-term Debt on page 76. An excess coverage insurance policy covers individual claims in excess of \$1,000,000 for liability, and 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 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 \$942,537 reported in the Self-insurance Reserve Fund at September 30, 2002 is based on the requirements of Governmental Accounting Standards 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 has 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 2001 and 2002 were:

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

	<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>
9/30/2001	\$ 877,650	\$ 1,222,649	\$ (1,272,230)	\$ 828,069
9/30/2002	\$ 828,069	\$ 1,487,198	\$ (1,372,730)	\$ 942,537

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 \$716,460 are reported in the Employee Benefit Fund as of September 30, 2002. 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 2001 and 2002 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>
9/30/2001	\$ 743,067	\$ 5,068,461	\$ (5,045,386)	\$ 766,142
9/30/2002	\$ 766,142	\$ 5,304,983	\$ (5,354,665)	\$ 716,460

XII. 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, 2002, the liability recorded for landfill closure and postclosure care costs was \$3,435,251, which is based on 35.67% usage of the landfill, less costs paid to date of \$1,389,988. The City will recognize the remaining costs of closure and postclosure care of \$8,702,203 as the remaining capacity is filled. The estimated total current costs of the landfill closure and postclosure care (\$13,527,442) 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, 2002. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The estimated remaining life of the landfill is approximately 23 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.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

XIII. 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 is 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, 2002.

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 or in the aggregate, such suits or claims will not have a material effect on the financial position of the City.

XIV. REPORTING CHANGES – CAPITAL ASSETS

Effective October 1, 2001, the City raised the capitalization threshold for capital assets from \$1,000 to \$5,000. Accordingly, all existing capital assets that no longer qualify under the new threshold were removed. The cumulative effect on beginning net assets for fiscal year 2002 of the change in policy for capital assets is as follows:

Business-type Activities:

	<u>Water & Electric Fund</u>	<u>Sanitary Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Parking Facilities Fund</u>	<u>Recreation Services Fund</u>	<u>Storm Water Utility Fund</u>	<u>Non-Major Funds</u>
Net assets 9/30/01	\$ 106,934,374	\$ 105,420,330	\$ 6,055,327	\$ 8,210,104	\$ 6,393,983	\$ 7,111,786	\$ 21,594,255
Change in capital asset policy	<u>(474,887)</u>	<u>(209,031)</u>	<u>(298,679)</u>	<u>(26,547)</u>	<u>(319,931)</u>	<u>(12,827)</u>	<u>(137,824)</u>
Net assets 9/30/01 as restated	<u>\$ 106,459,487</u>	<u>\$ 105,211,299</u>	<u>\$ 5,756,648</u>	<u>\$ 8,183,557</u>	<u>\$ 6,074,052</u>	<u>\$ 7,098,959</u>	<u>\$ 21,456,431</u>

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. 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.

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

Financial Statements for the Police and Firefighters' Retirement Funds are presented solely within this document.

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 retirement, death, and disability benefits.

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 2% each year from retirement to age 62. When a covered employee reaches age 62, the retirement benefit shall equal 1.96% of the highest average salary times the years of service to a maximum of 46.5% of the highest average salary. 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 retiring after August 21, 1995 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%. A covered employee who has retired on account of age or length of service after September 30, 1984, but before January 4, 1993 after completing 25 or more years of service receives a normal benefit equal to 50% of the highest annual salary, plus an additional 2% increase in benefits to be paid on October 1 of each year ending in an even number, not to exceed 60% of the highest annual salary.

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.

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)	94	91	294
Terminated entitled, not yet receiving benefits	1	—	157
Current active members	127	116	784

B. Funding Policy

The City's Police and Fire pension contributions for the fiscal year ended September 30, 2002, were made in accordance with actuarially determined contribution requirements determined through actuarial valuation. The

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

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:

	<u>Police Plan</u>	<u>Fire Plan</u>	<u>LAGERS</u>
Contribution rates:			
City – general, utility	23.65%	21.13%	11.6%, 12.3%
Plan members – contributory	8.38%	17.32%	—
Plan members – noncontributory	3.53%	—	—
Annual pension cost	\$1,435,954	\$1,149,108	\$3,527,296
Contributions made	\$1,435,954	\$1,149,108	\$3,527,296
Actuarial valuation date	9/30/01	9/30/01	2/28/02
Actuarial cost method	same	same	entry age normal
Amortization method	level % of pay–closed	level % of pay–closed	level % of pay–open
Remaining amortization period	30 years	30 years	15 years
Asset valuation method	smooth 4 year market	smooth 4 year market	smooth 5 year market
Actuarial assumptions:			
Investment rate of return	8%	8%	7.5%
Projected salary increases *	5% – 8%	5% – 8%	4% – 8%
* Includes inflation at	5%	5%	4%
Benefit increases	2% annually until attained age of 62; 2% thereafter	2% annually or biannually contingent upon years of service	4% 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.

C. Annual Pension Cost

LAGERS

Schedule of Employer Contributions

<u>Fiscal year ending</u>	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Net pension obligation</u>
6/30/2000	\$ 3,984,308	100%	\$ —
6/30/2001	\$ 3,734,456	100%	\$ —
6/30/2002	\$ 3,527,296	100%	\$ —

CITY OF COLUMBIA, MISSOURI

Notes to the Basic Financial Statements September 30, 2002

Police and Firefighter Pension

Schedule of Employer Contributions

	<u>Fiscal year ending</u>	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Net pension obligation</u>
Police	9/30/2000	\$ 1,264,593	100%	\$ —
	9/30/2001	\$ 1,343,575	100%	\$ —
	9/30/2002	\$ 1,435,954	100%	\$ —
Fire	9/30/2000	\$ 1,085,657	100%	\$ —
	9/30/2001	\$ 1,136,419	100%	\$ —
	9/30/2002	\$ 1,149,108	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, 2002.

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.

D. 401(a) Retirement Plan

The City sponsors 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, 2002, there were 1,013 plan members. The City will contribute to the plan on behalf of each participant an amount equal to 3.0% 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, 2002, the City contributed \$1,065,506 to the plan. Plan provisions and contribution requirements are established and may be amended by the City Council.

E. Post Employment Health Plan (PEHP)

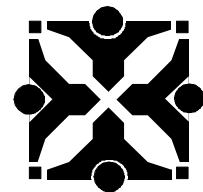
The City Council adopted a Post Employment Health Plan (PEHP), a defined contribution plan, in September 1997, which became effective in fiscal year 1998. All permanent City employees are eligible. At September 30, 2002, there were 1,193 plan members. The City contributes \$21.00 to individual employee accounts on a monthly basis. Upon retirement or separation, these funds are available to cover the cost of post-employment insurance premiums and medical expenses. In addition to the monthly contributions from the City, employees who terminate employment after 10 or more years of service may be eligible to convert unused sick leave hours (on a dollar-per-hour-basis) for deposit into the employee's PEHP account. For the year ended September 30, 2002, the City contributed \$365,674 to the plan.

XVI. SUBSEQUENT EVENT

In February 2003, the City issued \$8,950,000 of Water and Electric System revenue bonds. The bonds were issued for the purpose of refunding the City's 1985 Series B Water and Electric System Revenue Bonds, and to provide additional funding for Water Utility construction.

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REQUIRED SUPPLEMENTARY INFORMATION



CITY OF COLUMBIA, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
General property taxes	\$ 4,170,040	\$ 4,170,040	\$ 4,263,326	\$ 93,286
Sales tax	14,672,000	14,672,000	14,946,467	274,467
Other local taxes	6,748,920	6,748,920	7,110,539	361,619
Licenses and permits	633,297	633,297	633,493	196
Fines	1,110,900	1,110,900	1,489,192	378,292
Fees and service charges	1,474,650	1,474,650	1,642,557	167,907
Intragovernmental revenue	10,172,384	10,172,384	10,042,397	(129,987)
Revenue from other governmental units	2,692,934	2,919,067	2,710,326	(208,741)
Investment revenue	650,000	650,000	846,240	196,240
Miscellaneous revenue	488,276	554,037	708,479	154,442
TOTAL REVENUES	<u>42,813,401</u>	<u>43,105,295</u>	<u>44,393,016</u>	<u>1,287,721</u>
EXPENDITURES:				
Current:				
Policy development and administration	6,660,612	6,842,335	6,255,258	(587,077)
Public safety	25,683,806	26,142,885	25,268,570	(874,315)
Transportation	4,591,994	4,847,817	4,631,933	(215,884)
Health and environment	5,350,077	5,602,746	4,994,058	(608,688)
Personal development	4,514,730	4,960,383	4,428,369	(532,014)
Miscellaneous nonprogrammed activities:				
Other	333,813	363,561	179,081	(184,480)
TOTAL EXPENDITURES	<u>47,135,032</u>	<u>48,759,727</u>	<u>45,757,269</u>	<u>(3,002,458)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(4,321,631)</u>	<u>(5,654,432)</u>	<u>(1,364,253)</u>	<u>4,290,179</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	5,025,776	5,037,599	5,037,599	-
Operating transfers to other funds	(2,869,500)	(2,869,500)	(2,869,500)	-
Appropriation of prior year fund balance	2,163,003	2,163,003	2,163,003	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,319,279</u>	<u>4,331,102</u>	<u>4,331,102</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(2,352)</u>	<u>(1,323,330)</u>	<u>2,966,849</u>	<u>4,290,179</u>
Effect of appropriation of prior year fund balance	(2,163,003)	(2,163,003)	(2,163,003)	-
FUND BALANCE, BEGINNING OF PERIOD	<u>13,698,758</u>	<u>13,698,758</u>	<u>13,698,758</u>	<u>-</u>
FUND BALANCE, END OF PERIOD	<u>\$ 11,533,403</u>	<u>\$ 10,212,425</u>	<u>\$ 14,502,604</u>	<u>\$ 4,290,179</u>

See Independent Auditors' Report.

**CITY OF COLUMBIA, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION SALES TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Sales tax	\$ 7,441,500	\$ 7,441,500	\$ 7,564,716	\$ 123,216
Investment revenue	9,000	9,000	44,790	35,790
TOTAL REVENUES	<u>7,450,500</u>	<u>7,450,500</u>	<u>7,609,506</u>	<u>159,006</u>
OTHER FINANCING (USES):				
Operating transfers to other funds	(6,912,889)	(6,912,889)	(6,912,889)	-
Operating transfers from other funds	-	-	539,876	539,876
TOTAL OTHER FINANCING (USES)	<u>(6,912,889)</u>	<u>(6,912,889)</u>	<u>(6,373,013)</u>	<u>539,876</u>
EXCESS (DEFICIENCY) OF REVENUES OVER OTHER FINANCING USES	537,611	537,611	1,236,493	698,882
FUND BALANCE, BEGINNING OF PERIOD	<u>628,506</u>	<u>628,506</u>	<u>665,936</u>	<u>37,430</u>
FUND BALANCE, END OF PERIOD	<u>\$ 1,166,117</u>	<u>\$ 1,166,117</u>	<u>\$ 1,902,429</u>	<u>\$ 736,312</u>

See Independent Auditors' Report.

CITY OF COLUMBIA, MISSOURI

Required Supplementary Information (Unaudited)

Notes to the Budgetary Comparison Schedules

For The Year Ended September 30, 2002

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. 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 \$1,624,695, and this increase is reflected in the final budgeted amounts in the accompanying required supplemental information. A Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for the Transportation Sales Tax Fund is also included in 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.

Excess of Expenditures Over Appropriations

For the year ended September 30, 2002, expenditures exceeded appropriations in the Public Improvement Governmental Fund by \$9,789. The overexpenditure was funded by greater than anticipated revenues.

CITY OF COLUMBIA, MISSOURI

Required Supplementary Information – Unaudited

Schedule of Funding Progress

LAGERS

<u>Actuarial valuation date</u>	<u>(a) Actuarial value of assets</u>	<u>(b) Entry age actuarial accrued liability</u>	<u>(b-a) Unfunded accrued liability (UAL)</u>	<u>(a/b) Funded ratio</u>	<u>(c) Annual covered payroll</u>	<u>[(b-a)/c] UAL as a percentage of covered payroll</u>
2/28/2000	\$ 55,299,967	\$ 63,836,827	\$ 8,536,860	87%	\$ 25,546,679	33%
2/28/2001	64,552,217	64,530,534	(21,683)	100%	26,603,431	0%
2/28/2002	68,873,136	68,248,461	(624,675)	101%	28,472,930	0%

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, 2002 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

Police Retirement Plan

<u>Actuarial valuation date</u>	<u>Actuarial value of assets</u>	<u>Entry age actuarial accrued liability</u>	<u>Unfunded accrued liability (UAL)</u>	<u>Funded ratio</u>	<u>Annual covered payroll</u>	<u>UAL as a percentage of covered payroll</u>
9/30/1996	13,680,220	21,146,876	7,466,656	65%	4,188,720	178%
9/30/1997	15,427,018	23,299,138	7,872,120	66%	4,233,851	186%
9/30/1998	17,308,242	25,630,672	8,322,430	68%	4,478,709	186%
9/30/1999	19,723,586	28,130,283	8,406,697	70%	4,885,545	172%
9/30/2000	22,296,556	30,701,128	8,404,572	73%	5,146,710	163%
9/30/2001	23,329,556	32,593,716	9,264,160	72%	5,624,856	165%

Firefighters' Retirement Plan

<u>Actuarial valuation date</u>	<u>Actuarial value of assets</u>	<u>Entry age actuarial accrued liability</u>	<u>Unfunded accrued liability (UAL)</u>	<u>Funded ratio</u>	<u>Annual covered payroll</u>	<u>UAL as a percentage of covered payroll</u>
9/30/96	19,767,750	26,787,270	7,019,520	74%	4,169,932	168%
9/30/97	22,570,564	29,885,081	7,314,517	76%	4,339,834	169%
9/30/98	25,725,677	32,970,461	7,244,784	78%	4,692,014	154%
9/30/99	28,832,755	35,805,006	6,972,251	81%	4,738,337	147%
9/30/00	33,126,153	40,218,742	7,092,589	82%	5,112,352	139%
9/30/01	35,479,510	46,532,177	11,052,667	76%	5,140,736	215%

See Independent Auditors' Report.

CITY OF COLUMBIA, MISSOURI

Required Supplementary Information – Unaudited

Schedule of Employer Contributions

Police Retirement Plan

<u>Year ended September 30</u>	<u>Annual required contribution</u>	<u>Percent contributed</u>	<u>Net pension obligation</u>
1996	900,808	100%	—
1997	1,039,540	100%	—
1998	1,072,564	100%	—
1999	1,169,892	100%	—
2000	1,264,593	100%	—
2001	1,343,575	100%	—

Firefighters' Retirement Plan

<u>Year ended September 30</u>	<u>Annual required contribution</u>	<u>Percent contributed</u>	<u>Net pension obligation</u>
1996	686,422	100%	—
1997	935,358	100%	—
1998	1,022,618	100%	—
1999	1,055,836	100%	—
2000	1,085,657	100%	—
2001	1,136,419	100%	—

Notes to the Required Schedules

The required contribution was determined using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8% per year, compounded annually; (b) projected salary increases of 5% per year, compounded annually, attributable to inflation; (c) additional projected salary increases ranging from 0% to 3% per year, depending on age, attributable to seniority/merit; and (d) the assumption that benefits will increase after retirement as specified in the City Ordinance. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period on September 30, 2000 was 27 years.

See Independent Auditors' Report.

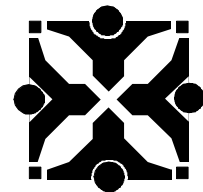
CITY OF COLUMBIA, MISSOURI
Required Supplementary Information - Unaudited
Schedule of Employer Contributions

With respect to the actuarial information shown above, the following items are noted:

- Since it was reported to the actuary that the City's practice is to contribute the percent of payroll employer contribution rate shown in the actuarial valuation report, the annual required contributions shown in the Schedule of Employer Contributions are the actual contributions made by the City in the fiscal year.
- The 9-30-97 actuarial valuation results for the Police Department are the revised results.

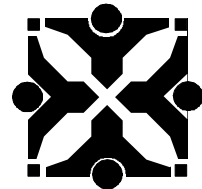
See Independent Auditors' Report.

SUPPLEMENTARY INFORMATION



CITY OF COLUMBIA, MISSOURI

COMBINING FINANCIAL STATEMENTS



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.

Library Debt Fund - to account for the monies reserved for debt service of the Daniel Boone Regional Library.

Library Operating Fund - to account for the receipts from the general property taxes for the Daniel Boone Regional Library and disbursements to the Daniel Boone Regional Library.

Library Building Fund - to account for monies reserved for maintenance and repairs of the Daniel Boone Regional Library Building.

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.

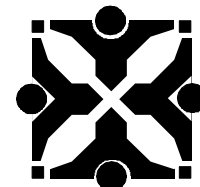
Cultural Affairs Fund - to account for monies reserved for cultural purposes. These monies are used to improve and sustain the cultural environment of the City by providing a system of support for area artists and cultural organizations.

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 of Columbia.

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. This fund receives a portion of the city sales tax and is allocated for a wide range of public improvements to the City which includes streets, sidewalks and parks.



**NON-MAJOR
GOVERNMENTAL FUNDS**

Special Revenue Funds (continued)

Capital Improvement Sales Tax Fund - to account for the 1/4 cent sales tax approved by voters in 1999 to be collected between January 2001 and December 2005 for funding of capital improvement projects.

Park Sales Tax Fund - to account for the city-enacted 1/4 percent (to be reduced to 1/8 percent in 2006) sales tax and expenditures for funding of local parks.

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. Resources in this fund shall only be used for parks and other recreational property or facilities.

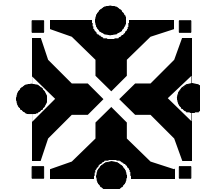
Street Improvement Revolving Fund - to account for all monies collected from a regulatory fee collected by the city as a condition of final plat approval in an amount not to exceed the street portion of costs.

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.

1992 General Obligation Refunding Bonds Debt Service Fund - to accumulate monies for payment of the 1992 \$16,670,000 2.75%-5.5% General Obligation Refunding bonds which are serial bonds with annual installments of \$905,000-\$1,475,000 plus interest until maturity in 2003 and term bonds of \$2,925,000 at 9% maturing in 2006. Financing is to be provided by an annual property tax levy.

2001 Certificates of Participation - Stephens Lake - to accumulate monies for payment of the Series 2001 \$7,000,000 5.975% Certificates of Participation capital lease with semi-annual interest payments until maturity January 1, 2007, at which time the principal of \$7,000,000 is due. Financing is to be provided by the Parks Sales Tax.



**NON-MAJOR
GOVERNMENTAL FUNDS**

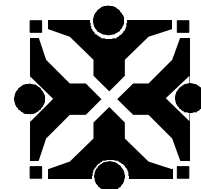
Debt Service Funds (continued)

2001 Certificates of Participation - Public Buildings - to accumulate monies for payment of the public buildings portion of Series 2001A \$6,490,000 4%-5.125% Certificates of Participation, with annual installments plus interest until maturity in 2021. Financing is to be provided by the Capital Improvement Sales Tax and transfers from the General Fund.

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.



**CITY OF COLUMBIA, MISSOURI
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2002**

ASSETS	Special Revenue Funds	Debt Service Funds	Permanent Fund	Total Nonmajor Governmental Funds
Cash and cash equivalents	\$ 5,867,747	\$ 3,169,398	\$ 4,247,516	\$ 13,284,661
Accounts receivable	1,126,924	-	-	1,126,924
Taxes receivable, net	833,650	8,472	241,501	1,083,623
Grants receivable	64,933	-	-	64,933
Rehabilitation loans receivable	5,053,249	-	-	5,053,249
Accrued interest	25,985	9,301	99,378	134,664
Due from other funds	-	-	301,170	301,170
Advances to other funds	-	-	1,381,408	1,381,408
Other assets	783	-	-	783
Restricted assets:				
Cash and cash equivalents	2,052,944	1,988,322	-	4,041,266
TOTAL ASSETS	\$ 15,026,215	\$ 5,175,493	\$ 6,270,973	\$ 26,472,681
LIABILITIES AND FUND BALANCE				
LIABILITIES:				
Accounts payable	\$ 261,859	\$ 1,750	\$ -	\$ 263,609
Interest payable	8,736	57,725	-	66,461
Accrued payroll and payroll taxes	65,143	-	-	65,143
Due to other funds	432,405	-	15,877	448,282
Unearned revenue	62,050	8,450	-	70,500
Other liabilities	847	-	-	847
General obligation bonds payable	-	1,425,000	-	1,425,000
TOTAL LIABILITIES	831,040	1,492,925	15,877	2,339,842
FUND BALANCE:				
Reserve for encumbrances	20,960	-	-	20,960
Reserve for development charges	1,518,925	-	-	1,518,925
Reserve for hotel/motel tax	534,019	-	-	534,019
Reserve for loans receivable	5,053,249	-	-	5,053,249
Reserve for contributions	-	-	1,500,000	1,500,000
Reserve for advances to other funds	-	-	1,381,408	1,381,408
Unreserved:				
Designated – unrealized gains	391,392	116,353	129,708	637,453
Undesignated	6,676,630	3,566,215	3,243,980	13,486,825
TOTAL FUND BALANCE	14,195,175	3,682,568	6,255,096	24,132,839
TOTAL LIABILITIES AND FUND BALANCE	\$ 15,026,215	\$ 5,175,493	\$ 6,270,973	\$ 26,472,681

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**CITY OF COLUMBIA, MISSOURI
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2002**

ASSETS	Library Debt Fund	Library Operating Fund	Library Building Fund	Special Road District Tax Fund	Cultural Affairs Fund
Cash and cash equivalents	\$231,178	\$847,592	\$ 75,678	\$ 408,106	\$117,560
Accounts receivable	-	-	-	1,111,631	4,215
Taxes receivable, net	31,388	33,451	718	-	-
Grants receivable	-	-	-	-	-
Rehabilitation loans receivable	-	-	-	-	-
Accrued interest	911	2,871	288	1,050	373
Other assets	-	-	-	-	-
Restricted assets:					
Cash and cash equivalents	-	-	-	-	-
TOTAL ASSETS	<u>\$263,477</u>	<u>\$883,914</u>	<u>\$ 76,684</u>	<u>\$ 1,520,787</u>	<u>\$122,148</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable	\$ -	\$186,200	\$ -	\$ -	\$ 19,928
Interest payable	-	-	-	-	-
Accrued payroll and payroll taxes	-	-	-	-	11,169
Due to other funds	-	-	-	-	-
Unearned revenue	28,600	30,800	700	-	-
Other liabilities	-	-	-	-	-
TOTAL LIABILITIES	<u>28,600</u>	<u>217,000</u>	<u>700</u>	<u>-</u>	<u>31,097</u>
FUND BALANCE:					
Reserve for encumbrances	-	-	-	-	1,175
Reserve for development charges	-	-	-	-	-
Reserve for hotel/motel tax	-	-	-	-	-
Reserve for loans receivable	-	-	-	-	-
Unreserved:					
Designated – unrealized gains	4,219	37,439	-	106,037	5,147
Undesignated	230,658	629,475	75,984	1,414,750	84,729
TOTAL FUND BALANCE	<u>234,877</u>	<u>666,914</u>	<u>75,984</u>	<u>1,520,787</u>	<u>91,051</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$263,477</u>	<u>\$883,914</u>	<u>\$ 76,684</u>	<u>\$ 1,520,787</u>	<u>\$122,148</u>

See Independent Auditors' Report.

**CITY OF COLUMBIA, MISSOURI
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2002**

ASSETS	Columbia Special Business District Fund	Convention and Tourism Fund	Community Development Grant Fund	Public Improvement Fund
Cash and cash equivalents	\$ 24,012	\$ 586,101	\$ -	\$ 1,601,286
Accounts receivable	-	-	-	10,541
Taxes receivable, net	1,964	-	-	59,869
Grants receivable	-	-	64,933	-
Rehabilitation loans receivable	-	-	5,053,249	-
Accrued interest	82	3,827	-	10,614
Other assets	-	783	-	-
Restricted assets:				
Cash and cash equivalents	-	534,019	-	1,518,925
TOTAL ASSETS	<u>\$ 26,058</u>	<u>\$ 1,124,730</u>	<u>\$ 5,118,182</u>	<u>\$ 3,201,235</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES:				
Accounts payable	\$ -	\$ 28,476	\$ 24,564	\$ -
Interest payable	-	8,736	-	-
Accrued payroll and payroll taxes	-	26,560	20,791	-
Due to other funds	-	301,170	18,731	-
Deferred revenue	1,950	-	-	-
Other liabilities	-	-	847	-
TOTAL LIABILITIES	<u>1,950</u>	<u>364,942</u>	<u>64,933</u>	<u>-</u>
FUND BALANCE:				
Reserve for encumbrances	-	19,785	-	-
Reserve for development charges	-	-	-	1,518,925
Reserve for hotel/motel tax	-	534,019	-	-
Reserve for loans receivable	-	-	5,053,249	-
Unreserved:				
Designated – unrealized gains	1,010	44,943	-	93,412
Undesignated	23,098	161,041	-	1,588,898
TOTAL FUND BALANCE	<u>24,108</u>	<u>759,788</u>	<u>5,053,249</u>	<u>3,201,235</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 26,058</u>	<u>\$ 1,124,730</u>	<u>\$ 5,118,182</u>	<u>\$ 3,201,235</u>

See Independent Auditors' Report.

**CITY OF COLUMBIA, MISSOURI
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2002**

<u>Capital Improvement Sales Tax Fund</u>	<u>Park Sales Tax Fund</u>	<u>Contributions Fund</u>	<u>Street Improvement Revolving Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 1,575,478	\$ -	\$ 400,756	\$ -	\$ 5,867,747
-	-	537	-	1,126,924
352,884	353,376	-	-	833,650
-	-	-	-	64,933
-	-	-	-	5,053,249
5,607	(999)	1,361	-	25,985
-	-	-	-	783
-	-	-	-	2,052,944
<u>\$ 1,933,969</u>	<u>\$ 352,377</u>	<u>\$ 402,654</u>	<u>\$ -</u>	<u>\$ 15,026,215</u>
\$ -	\$ -	\$ 2,691	\$ -	\$ 261,859
-	-	-	-	8,736
-	-	6,623	-	65,143
-	112,504	-	-	432,405
-	-	-	-	62,050
-	-	-	-	847
-	112,504	9,314	-	831,040
-	-	-	-	20,960
-	-	-	-	1,518,925
-	-	-	-	534,019
-	-	-	-	5,053,249
81,856	5,556	11,773	-	391,392
1,852,113	234,317	381,567	-	6,676,630
<u>1,933,969</u>	<u>239,873</u>	<u>393,340</u>	<u>-</u>	<u>14,195,175</u>
<u>\$ 1,933,969</u>	<u>\$ 352,377</u>	<u>\$ 402,654</u>	<u>\$ -</u>	<u>\$ 15,026,215</u>

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**CITY OF COLUMBIA, MISSOURI
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
SEPTEMBER 30, 2002**

ASSETS	1992 General Obligation Refunding Bonds Debt Service Fund	2001 Certificates of Participation - Stephens' Lake	2001 Certificates of Participation - Public Buildings	Total Nonmajor Debt Service Funds
Cash and cash equivalents	\$ 1,189,539	\$ 1,953,834	\$ 26,025	\$ 3,169,398
Taxes receivable, net	8,472	-	-	8,472
Accrued interest	2,427	6,785	89	9,301
Due from other funds	-	-	-	-
Restricted assets:				
Cash and cash equivalents	1,482,725	57	505,540	1,988,322
TOTAL ASSETS	<u>\$ 2,683,163</u>	<u>\$ 1,960,676</u>	<u>\$ 531,654</u>	<u>\$ 5,175,493</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES:				
Accounts payable	\$ 1,750	\$ -	\$ -	\$ 1,750
Interest payable	57,725	-	-	57,725
Unearned revenue	8,450	-	-	8,450
General obligation bonds payable	1,425,000	-	-	1,425,000
TOTAL LIABILITIES	<u>1,492,925</u>	<u>-</u>	<u>-</u>	<u>1,492,925</u>
FUND BALANCE:				
Unreserved:				
Designated - unrealized gains	102,764	13,589	-	116,353
Undesignated	1,087,474	1,947,087	531,654	3,566,215
TOTAL FUND BALANCE	<u>1,190,238</u>	<u>1,960,676</u>	<u>531,654</u>	<u>3,682,568</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,683,163</u>	<u>\$ 1,960,676</u>	<u>\$ 531,654</u>	<u>\$ 5,175,493</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, 2002

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES:				
General property taxes	\$ 3,700,099	\$ 15,983	\$ -	\$ 3,716,082
Sales tax	8,214,660	-	-	8,214,660
Other local taxes	1,314,937	-	-	1,314,937
Licenses and permits	18,204	-	-	18,204
Fees and service charges	197,784	-	-	197,784
Revenue from other governmental units	2,057,806	-	-	2,057,806
Investment revenue	485,945	244,223	388,602	1,118,770
Miscellaneous	151,274	-	-	151,274
TOTAL REVENUES	<u>16,140,709</u>	<u>260,206</u>	<u>388,602</u>	<u>16,789,517</u>
EXPENDITURES:				
Current:				
Policy development and administration	1,575,698	-	19,246	1,594,944
Health and environment	901,411	-	-	901,411
Personal development	3,662,482	-	-	3,662,482
Capital outlay	6,995	-	-	6,995
Debt Service:				
Redemption of serial bonds	-	2,218,500	-	2,218,500
Interest	-	843,827	-	843,827
Fiscal agent fees	-	3,555	-	3,555
TOTAL EXPENDITURES	<u>6,146,586</u>	<u>3,065,882</u>	<u>19,246</u>	<u>9,231,714</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>9,994,123</u>	<u>(2,805,676)</u>	<u>369,356</u>	<u>7,557,803</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	584,026	2,771,877	-	3,355,903
Transfers out	(9,449,453)	-	-	(9,449,453)
Restructure of financing	(301,440)	-	-	(301,440)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(9,166,867)</u>	<u>2,771,877</u>	<u>-</u>	<u>(6,394,990)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	827,256	(33,799)	369,356	1,162,813
FUND BALANCE, BEGINNING OF PERIOD	<u>13,367,919</u>	<u>3,716,367</u>	<u>5,885,740</u>	<u>22,970,026</u>
FUND BALANCE, END OF PERIOD	<u>\$ 14,195,175</u>	<u>\$ 3,682,568</u>	<u>\$ 6,255,096</u>	<u>\$ 24,132,839</u>

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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, 2002

	<u>Library Debt Fund</u>	<u>Library Operating Fund</u>	<u>Library Building Fund</u>	<u>Special Road District Tax Fund</u>	<u>Cultural Affairs Fund</u>
REVENUES:					
General property taxes	\$1,843,155	\$1,756,056	\$ 266	\$ -	\$ -
Sales tax	-	-	-	-	-
Other local taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Fees and service charges	-	-	-	-	-
Revenue from other governmental units	-	-	-	1,111,632	41,900
Investment revenue	29,206	60,720	5,243	21,747	6,259
Miscellaneous	-	-	-	-	46,587
TOTAL REVENUES	<u>1,872,361</u>	<u>1,816,776</u>	<u>5,509</u>	<u>1,133,379</u>	<u>94,746</u>
EXPENDITURES:					
Current:					
Policy development and administration	-	-	-	-	330,490
Health and environment	-	-	-	-	-
Personal development	1,715,501	1,805,479	-	-	-
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>1,715,501</u>	<u>1,805,479</u>	<u>-</u>	<u>-</u>	<u>330,490</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>156,860</u>	<u>11,297</u>	<u>5,509</u>	<u>1,133,379</u>	<u>(235,744)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	248,500
Transfers out	-	-	-	(1,361,600)	-
Restructure of financing	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,361,600)</u>	<u>248,500</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	156,860	11,297	5,509	(228,221)	12,756
FUND BALANCE, BEGINNING OF PERIOD	<u>78,017</u>	<u>655,617</u>	<u>70,475</u>	<u>1,749,008</u>	<u>78,295</u>
FUND BALANCE, END OF PERIOD	<u>\$ 234,877</u>	<u>\$ 666,914</u>	<u>\$ 75,984</u>	<u>\$ 1,520,787</u>	<u>\$ 91,051</u>

See Independent Auditors' Report.

CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	<u>Columbia Special Business District Fund</u>	<u>Convention and Tourism Fund</u>	<u>Community Development Grant Fund</u>	<u>Public Improvement Fund</u>
REVENUES:				
General property taxes	\$ 100,622	\$ -	\$ -	\$ -
Sales tax	-	-	-	639,733
Other local taxes	-	1,314,937	-	-
Licenses and permits	18,204	-	-	-
Fees and service charges	-	-	-	197,784
Revenue from other governmental units	-	26,173	878,101	-
Investment revenue	2,557	58,108	12,489	183,599
Miscellaneous	-	8,211	213	-
TOTAL REVENUES	<u>121,383</u>	<u>1,407,429</u>	<u>890,803</u>	<u>1,021,116</u>
EXPENDITURES:				
Current:				
Policy development and administration	152,194	1,042,131	-	50,883
Health and environment	-	-	901,411	-
Personal development	-	-	-	-
Capital outlay	-	6,995	-	-
TOTAL EXPENDITURES	<u>152,194</u>	<u>1,049,126</u>	<u>901,411</u>	<u>50,883</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(30,811)</u>	<u>358,303</u>	<u>(10,608)</u>	<u>970,233</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	17,500	-	-	184,948
Transfers out	(7,500)	(34,500)	(236,042)	(589,947)
Restructure of financing	-	(301,440)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>10,000</u>	<u>(335,940)</u>	<u>(236,042)</u>	<u>(404,999)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(20,811)</u>	<u>22,363</u>	<u>(246,650)</u>	<u>565,234</u>
FUND BALANCE, BEGINNING OF PERIOD	<u>44,919</u>	<u>737,425</u>	<u>5,299,899</u>	<u>2,636,001</u>
FUND BALANCE, END OF PERIOD	<u>\$ 24,108</u>	<u>\$ 759,788</u>	<u>\$ 5,053,249</u>	<u>\$ 3,201,235</u>

See Independent Auditors' Report.

CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

<u>Capital Improvement Sales Tax Fund</u>	<u>Park Sales Tax Fund</u>	<u>Contributions Fund</u>	<u>Street Improvement Revolving Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,700,099
3,782,338	3,792,589	-	-	8,214,660
-	-	-	-	1,314,937
-	-	-	-	18,204
-	-	-	-	197,784
-	-	-	-	2,057,806
59,069	22,663	24,285	-	485,945
-	-	96,263	-	151,274
<u>3,841,407</u>	<u>3,815,252</u>	<u>120,548</u>	<u>-</u>	<u>16,140,709</u>
-	-	-	-	1,575,698
-	-	-	-	901,411
-	-	141,502	-	3,662,482
-	-	-	-	6,995
<u>-</u>	<u>-</u>	<u>141,502</u>	<u>-</u>	<u>6,146,586</u>
<u>3,841,407</u>	<u>3,815,252</u>	<u>(20,954)</u>	<u>-</u>	<u>9,994,123</u>
-	-	133,078	-	584,026
(3,657,323)	(3,418,250)	(67,424)	(76,867)	(9,449,453)
-	-	-	-	(301,440)
<u>(3,657,323)</u>	<u>(3,418,250)</u>	<u>65,654</u>	<u>(76,867)</u>	<u>(9,166,867)</u>
184,084	397,002	44,700	(76,867)	827,256
<u>1,749,885</u>	<u>(157,129)</u>	<u>348,640</u>	<u>76,867</u>	<u>13,367,919</u>
<u>\$ 1,933,969</u>	<u>\$ 239,873</u>	<u>\$ 393,340</u>	<u>\$ -</u>	<u>\$ 14,195,175</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, 2002

	<u>1992 General Obligation Refunding Bonds Debt Service Fund</u>	<u>2001 Certificates of Participation - Stephens' Lake</u>	<u>2001 Certificates of Participation - Public Buildings</u>	<u>Total Nonmajor Debt Service Funds</u>
REVENUES:				
General Property Taxes:				
Personal property	\$ 13,083	\$ -	\$ -	\$ 13,083
Interest and penalties	2,900	-	-	2,900
Total General Property Taxes	15,983	-	-	15,983
Investment revenue	143,132	85,564	15,527	244,223
TOTAL REVENUES	<u>159,115</u>	<u>85,564</u>	<u>15,527</u>	<u>260,206</u>
EXPENDITURES:				
Debt Service:				
Redemption of serial bonds	1,425,000	-	793,500	2,218,500
Interest	115,450	418,250	310,127	843,827
Fiscal agent fees	3,000	-	555	3,555
TOTAL EXPENDITURES	<u>1,543,450</u>	<u>418,250</u>	<u>1,104,182</u>	<u>3,065,882</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,384,335)</u>	<u>(332,686)</u>	<u>(1,088,655)</u>	<u>(2,805,676)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,668,250	1,103,627	2,771,877
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>1,668,250</u>	<u>1,103,627</u>	<u>2,771,877</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(1,384,335)</u>	<u>1,335,564</u>	<u>14,972</u>	<u>(33,799)</u>
FUND BALANCE, BEGINNING OF PERIOD	<u>2,574,573</u>	<u>625,112</u>	<u>516,682</u>	<u>3,716,367</u>
FUND BALANCE, END OF PERIOD	<u>\$ 1,190,238</u>	<u>\$ 1,960,676</u>	<u>\$ 531,654</u>	<u>\$ 3,682,568</u>

See Independent Auditors' Report.

**CITY OF COLUMBIA, MISSOURI
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	<u>Special Road District Tax Fund</u>		
	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
General property taxes	\$ -	\$ -	\$ -
Sales tax	-	-	-
Other local taxes	-	-	-
Fees and service charges	-	-	-
Revenue from other governmental units	1,200,000	1,111,632	(88,368)
Investment revenue	36,000	21,747	(14,253)
Miscellaneous revenue	-	-	-
TOTAL REVENUES	<u>1,236,000</u>	<u>1,133,379</u>	<u>(102,621)</u>
EXPENDITURES:			
Current:			
Policy development and administration	-	-	-
Personal development	-	-	-
Miscellaneous nonprogrammed activities:			
Other	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>1,236,000</u>	<u>1,133,379</u>	<u>(102,621)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds	-	-	-
Operating transfers to other funds	(1,361,600)	(1,361,600)	-
Restructure of financing	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,361,600)</u>	<u>(1,361,600)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(125,600)	(228,221)	(102,621)
FUND BALANCE, BEGINNING OF PERIOD	<u>1,687,000</u>	<u>1,749,008</u>	<u>62,008</u>
FUND BALANCE, END OF PERIOD	<u>\$ 1,561,400</u>	<u>\$ 1,520,787</u>	<u>\$ (40,613)</u>

See Independent Auditors' Report.

(Continued)

**CITY OF COLUMBIA, MISSOURI
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002**

<u>Cultural Affairs Fund</u>			<u>Convention and Tourism Fund</u>		
<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-		-	-
	-	-	1,350,000	1,314,937	(35,063)
	-	-		-	-
49,800	41,900	(7,900)	28,830	26,173	(2,657)
3,600	6,259	2,659	27,000	58,108	31,108
<u>46,850</u>	<u>46,587</u>	<u>(263)</u>	<u>17,200</u>	<u>8,211</u>	<u>(8,989)</u>
<u>100,250</u>	<u>94,746</u>	<u>(5,504)</u>	<u>1,423,030</u>	<u>1,407,429</u>	<u>(15,601)</u>
363,102	330,490	(32,612)	1,176,115	1,049,126	(126,989)
-	-	-	-	-	-
-	-	-	-	-	-
<u>363,102</u>	<u>330,490</u>	<u>(32,612)</u>	<u>1,176,115</u>	<u>1,049,126</u>	<u>(126,989)</u>
<u>(262,852)</u>	<u>(235,744)</u>	<u>27,108</u>	<u>246,915</u>	<u>358,303</u>	<u>111,388</u>
248,500	248,500	-	-	-	-
-	-	-	(34,500)	(34,500)	-
-	-	-	-	(301,440)	(301,440)
<u>248,500</u>	<u>248,500</u>	<u>-</u>	<u>(34,500)</u>	<u>(335,940)</u>	<u>(301,440)</u>
(14,352)	12,756	27,108	212,415	22,363	(190,052)
<u>47,264</u>	<u>78,295</u>	<u>31,031</u>	<u>481,891</u>	<u>737,425</u>	<u>255,534</u>
<u>\$ 32,912</u>	<u>\$ 91,051</u>	<u>\$ 58,139</u>	<u>\$ 694,306</u>	<u>\$ 759,788</u>	<u>\$ 65,482</u>

See Independent Auditors' Report.

(Continued)

**CITY OF COLUMBIA, MISSOURI
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	Public Improvement Fund		
	Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
REVENUES:			
General property taxes	\$ -	\$ -	\$ -
Sales tax	631,041	639,733	8,692
Other local taxes	-	-	-
Fees and service charges	200,000	197,784	(2,216)
Revenue from other governmental units	-	-	-
Investment revenue	150,000	183,599	33,599
Miscellaneous revenue	-	-	-
TOTAL REVENUES	981,041	1,021,116	40,075
EXPENDITURES:			
Current:			
Policy development and administration	41,094	50,883	9,789
Personal development	-	-	-
Miscellaneous nonprogrammed activities:			
Other	-	-	-
TOTAL EXPENDITURES	41,094	50,883	9,789
DEFICIENCY OF REVENUES OVER EXPENDITURES	939,947	970,233	30,286
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds	-	184,948	184,948
Operating transfers to other funds	(589,947)	(589,947)	-
Restructure of financing	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(589,947)	(404,999)	184,948
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	350,000	565,234	215,234
FUND BALANCE, BEGINNING OF PERIOD	2,680,527	2,636,001	(44,526)
FUND BALANCE, END OF PERIOD	\$ 3,030,527	\$ 3,201,235	\$ 170,708

See Independent Auditors' Report.

**CITY OF COLUMBIA, MISSOURI
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002**

<u>Capital Improvement Sales Tax Fund</u>			<u>Park Sales Tax Fund</u>		
<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,750,000	3,782,338	32,338	3,750,000	3,792,589	42,589
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
50,000	59,069	9,069	15,000	22,663	7,663
-	-	-	-	-	-
<u>3,800,000</u>	<u>3,841,407</u>	<u>41,407</u>	<u>3,765,000</u>	<u>3,815,252</u>	<u>50,252</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,800,000</u>	<u>3,841,407</u>	<u>41,407</u>	<u>3,765,000</u>	<u>3,815,252</u>	<u>50,252</u>
-	-	-	-	-	-
(3,657,323)	(3,657,323)	-	(3,418,250)	(3,418,250)	-
-	-	-	-	-	-
<u>(3,657,323)</u>	<u>(3,657,323)</u>	<u>-</u>	<u>(3,418,250)</u>	<u>(3,418,250)</u>	<u>-</u>
142,677	184,084	41,407	346,750	397,002	50,252
<u>2,535,000</u>	<u>1,749,885</u>	<u>(785,115)</u>	<u>3,765</u>	<u>(157,129)</u>	<u>(160,894)</u>
<u>\$ 2,677,677</u>	<u>\$ 1,933,969</u>	<u>\$ (743,708)</u>	<u>\$ 350,515</u>	<u>\$ 239,873</u>	<u>\$ (110,642)</u>

See Independent Auditors' Report.

**CITY OF COLUMBIA, MISSOURI
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	Contributions Fund		
	Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
REVENUES:			
General property taxes	\$ -	\$ -	\$ -
Sales tax	-	-	-
Other local taxes	-	-	-
Fees and service charges	-	-	-
Revenue from other governmental units	-	-	-
Investment revenue	12,000	24,285	12,285
Miscellaneous revenue	35,000	96,263	61,263
TOTAL REVENUES	<u>47,000</u>	<u>120,548</u>	<u>73,548</u>
EXPENDITURES:			
Current:			
Policy development and administration	-	-	-
Personal development	155,162	141,502	(13,660)
Miscellaneous nonprogrammed activities:			
Other	-	-	-
TOTAL EXPENDITURES	<u>155,162</u>	<u>141,502</u>	<u>(13,660)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(108,162)</u>	<u>(20,954)</u>	<u>87,208</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds	128,000	133,078	5,078
Operating transfers to other funds	(13,324)	(67,424)	(54,100)
Restructure of financing	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>114,676</u>	<u>65,654</u>	<u>(49,022)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	6,514	44,700	38,186
FUND BALANCE, BEGINNING OF PERIOD	<u>181,817</u>	<u>348,640</u>	<u>166,823</u>
FUND BALANCE, END OF PERIOD	<u>\$ 188,331</u>	<u>\$ 393,340</u>	<u>\$ 205,009</u>

See Independent Auditors' Report.

**CITY OF COLUMBIA, MISSOURI
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002**

Debt Service Funds (Combined)		
Budgeted Amounts	Actual Amounts	Variance Positive (Negative)
\$ -	\$ 15,983	\$ 15,983
-	-	-
-	-	-
-	-	-
425,000	244,223	(180,777)
-	-	-
425,000	260,206	(164,794)
-	-	-
-	-	-
4,316,127	3,065,882	(1,250,245)
4,316,127	3,065,882	(1,250,245)
(3,891,127)	(2,805,676)	1,085,451
2,771,877	2,771,877	-
-	-	-
-	-	-
2,771,877	2,771,877	-
(1,119,250)	(33,799)	1,085,451
4,721,002	3,716,367	(1,004,635)
\$ 3,601,752	\$ 3,682,568	\$ 80,816

See Independent Auditors' Report.

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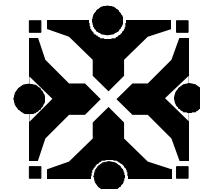
NON-MAJOR ENTERPRISE FUNDS

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.

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, 2002**

	Regional Airport Funds	Public Transportation Funds	Railroad Fund	Total Nonmajor Enterprise Funds
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 460,778	\$ 1,338,417	\$ 263,469	\$ 2,062,664
Receivable, net	40,991	63,891	42,683	147,565
Accrued interest	2,008	5,140	898	8,046
Inventory	-	59,436	79,796	139,232
Other assets	-	10,639	-	10,639
Total Current Assets	<u>503,777</u>	<u>1,477,523</u>	<u>386,846</u>	<u>2,368,146</u>
Noncurrent Assets:				
Restricted Assets:				
Cash and cash equivalents	142,509	198,896	-	341,405
Grants receivable	50,933	-	74,509	125,442
Total Restricted Assets	<u>193,442</u>	<u>198,896</u>	<u>74,509</u>	<u>466,847</u>
Capital Assets:				
Land	1,538,275	-	93,530	1,631,805
Structures and improvements	17,299,088	150,150	3,568,786	21,018,024
Furniture, fixtures and equipment	1,263,266	4,617,817	727,710	6,608,793
Construction in progress	623	114,665	68,011	183,299
Less accumulated depreciation	<u>(7,055,364)</u>	<u>(1,055,722)</u>	<u>(1,300,462)</u>	<u>(9,411,548)</u>
Total Capital Assets	<u>13,045,888</u>	<u>3,826,910</u>	<u>3,157,575</u>	<u>20,030,373</u>
Total Noncurrent Assets	<u>13,239,330</u>	<u>4,025,806</u>	<u>3,232,084</u>	<u>20,497,220</u>
Total Assets	<u>13,743,107</u>	<u>5,503,329</u>	<u>3,618,930</u>	<u>22,865,366</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	41,817	9,555	18,313	69,685
Accrued payroll and payroll taxes	32,132	67,661	6,774	106,567
Loans payable to other funds – current maturities	-	-	11,355	11,355
Other liabilities	18,866	-	-	18,866
Total Current Liabilities	<u>92,815</u>	<u>77,216</u>	<u>36,442</u>	<u>206,473</u>
Current Liabilities (Payable from Restricted Assets):				
Construction contracts payable	22,481	864	1,999	25,344
Advances from other funds	325,095	-	-	325,095
Total Current Liabilities (Payable from Restricted Assets)	<u>347,576</u>	<u>864</u>	<u>1,999</u>	<u>350,439</u>
Noncurrent Liabilities:				
Accrued compensated absences	54,758	33,445	5,194	93,397
Loans payable to other funds	-	-	110,416	110,416
Total Current Liabilities	<u>54,758</u>	<u>33,445</u>	<u>115,610</u>	<u>203,813</u>
Total Liabilities	<u>495,149</u>	<u>111,525</u>	<u>154,051</u>	<u>760,725</u>
NET ASSETS				
Invested in capital assets, net of related debt	13,045,888	3,826,910	3,157,575	20,030,373
Restricted for:				
Capital projects	50,933	-	74,509	125,442
Unrestricted	<u>151,137</u>	<u>1,564,894</u>	<u>232,795</u>	<u>1,948,826</u>
Total Net Assets	<u>\$ 13,247,958</u>	<u>\$ 5,391,804</u>	<u>\$ 3,464,879</u>	<u>\$ 22,104,641</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, 2002

	<u>Regional Airport Funds</u>	<u>Public Transportation Funds</u>	<u>Railroad Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUES:				
Charges for services	\$ 467,031	\$ 450,404	\$ 389,497	\$ 1,306,932
OPERATING EXPENSES:				
Personal services	781,626	1,577,215	158,539	2,517,380
Materials, supplies, and power	98,430	364,206	45,215	507,851
Travel and training	3,669	2,000	900	6,569
Intragovernmental	139,067	319,679	25,929	484,675
Utilities, services, and miscellaneous	129,852	208,261	105,470	443,583
Depreciation	434,322	436,631	186,072	1,057,025
Total Operating Expenses	<u>1,586,966</u>	<u>2,907,992</u>	<u>522,125</u>	<u>5,017,083</u>
Operating Income (Loss)	<u>(1,119,935)</u>	<u>(2,457,588)</u>	<u>(132,628)</u>	<u>(3,710,151)</u>
NONOPERATING REVENUES (EXPENSES):				
Investment revenue	59,653	76,713	17,825	154,191
Revenue from other governmental units	-	937,884	-	937,884
Miscellaneous revenue	4,295	21,635	114,004	139,934
Interest expense	(14,128)	(66)	(6,816)	(21,010)
Loss on disposal of fixed assets	-	(28,544)	-	(28,544)
Miscellaneous expense	-	-	(721)	(721)
Total Nonoperating Revenues (Expenses)	<u>49,820</u>	<u>1,007,622</u>	<u>124,292</u>	<u>1,181,734</u>
Income (Loss) Before Contributions and Transfers	<u>(1,070,115)</u>	<u>(1,449,966)</u>	<u>(8,336)</u>	<u>(2,528,417)</u>
Transfers in	614,000	1,648,574	50,000	2,312,574
Transfers in	-	(18,957)	-	(18,957)
Capital contribution	<u>1,383,323</u>	<u>123,170</u>	<u>74,509</u>	<u>1,581,002</u>
Changes in Net Assets	927,208	302,821	116,173	1,346,202
TOTAL NET ASSETS- BEGINNING OF PERIOD	<u>12,320,750</u>	<u>5,088,983</u>	<u>3,348,706</u>	<u>20,758,439</u>
TOTAL NET ASSETS- END OF PERIOD	<u>\$ 13,247,958</u>	<u>\$ 5,391,804</u>	<u>\$ 3,464,879</u>	<u>\$ 22,104,641</u>

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**CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	Regional Airport Funds	Public Transportation Funds	Railroad Fund	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers (including other funds)	\$ 468,169	\$ 454,809	\$ 428,806	\$ 1,351,784
Cash received from other sources	4,295	21,635	114,004	139,934
Cash payments to suppliers	(197,497)	(631,195)	(167,631)	(996,323)
Cash payments to employees	(775,140)	(1,572,505)	(156,974)	(2,504,619)
Cash payments to other funds	(139,067)	(319,679)	(25,929)	(484,675)
Cash payments for other expenses	3,669	10,268	4,661	18,598
Net cash provided by (used for) operating activities	<u>(635,571)</u>	<u>(2,036,667)</u>	<u>196,937</u>	<u>(2,475,301)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	614,000	1,629,617	50,000	2,293,617
Operating grants	-	954,094	-	954,094
Net cash provided by (used for) noncapital financing activities	<u>614,000</u>	<u>2,583,711</u>	<u>50,000</u>	<u>3,247,711</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Debt service – interest payments	(14,128)	(66)	(6,816)	(21,010)
Debt service – principal and advance refunding payments	-	-	(11,355)	(11,355)
Acquisition and construction of capital assets	(1,227,215)	(190,710)	(217,593)	(1,635,518)
Decrease in construction contracts	(709,266)	(15,360)	(928)	(725,554)
Capital contributions	1,376,923	123,170	-	1,500,093
Proceeds from advances from other funds	(18,721)	-	-	(18,721)
Net cash provided by (used for) capital and related financing activities	<u>(592,407)</u>	<u>(82,966)</u>	<u>(236,692)</u>	<u>(912,065)</u>
CASH FLOWS FROM INVESTING ACTIVITIES – Interest received				
Interest received	61,518	67,371	13,782	142,671
Net cash provided by (used for) investing activities	<u>61,518</u>	<u>67,371</u>	<u>13,782</u>	<u>142,671</u>
Net increase (decrease) in cash and cash equivalents	(552,460)	531,449	24,027	3,016
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD				
	<u>1,155,747</u>	<u>1,005,864</u>	<u>239,442</u>	<u>2,401,053</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD				
	<u>\$ 603,287</u>	<u>\$ 1,537,313</u>	<u>\$ 263,469</u>	<u>\$ 2,404,069</u>
Displayed as:				
Cash and cash equivalents	\$ 460,778	\$ 1,338,417	\$ 263,469	\$ 2,062,664
Restricted assets	142,509	198,896	-	341,405
	<u>\$ 603,287</u>	<u>\$ 1,537,313</u>	<u>\$ 263,469</u>	<u>\$ 2,404,069</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (1,119,935)	\$ (2,457,588)	\$ (132,628)	\$ (3,710,151)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	434,322	436,631	186,072	1,057,025
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	1,138	(11,441)	38,720	28,417
Decrease (increase) in due from other funds	-	15,846	-	15,846
Decrease (increase) in inventory	-	(59,436)	382	(59,054)
Decrease (increase) in other assets	-	(138)	-	(138)
Increase (decrease) in accounts payable	28,749	5,059	(16,428)	17,380
Increase (decrease) in accrued payroll	6,486	4,710	1,565	12,761
Increase (decrease) in due to other funds	-	-	589	589
Increase (decrease) in other liabilities	5,705	(2,351)	-	3,354
Other nonoperating revenue (expense)	7,964	32,041	118,665	158,670
Net cash provided by (used for) operating activities	<u>\$ (635,571)</u>	<u>\$ (2,036,667)</u>	<u>\$ 196,937</u>	<u>\$ (2,475,301)</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Construction contracts payable	\$ 22,481	\$ 864	\$ 1,999	\$ 25,344
Total noncash capital and related financing activities	<u>\$ 22,481</u>	<u>\$ 864</u>	<u>\$ 1,999</u>	<u>\$ 25,344</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.

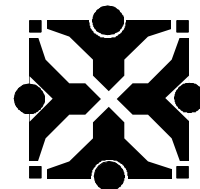
Information Services Fund - to account for the provision of hardware infrastructure to support the computing requirements of the City, as well as developing or implementing software to improve the operating efficiencies of the departments within the City.

Public Communications Fund - to account for the provision of printing press, xerox, interdepartmental mail, and postage services to other city departments, Columbia On-line Information Network 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 reserves established and previously held in trust for the Special Obligation Bonds issued for the City's self insurance program, and to account for the payment of property and casualty losses, and uninsured workers' compensation claims. The Special Obligation Bonds were retired in September 2002.

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, 2002

ASSETS	<u>Custodial and Maintenance Services Fund</u>	<u>Utility Customer Services Fund</u>	<u>Information Services Fund</u>
CURRENT ASSETS:			
Cash and cash equivalents	\$ 908,323	\$ 1,034,289	\$ 1,488,272
Investments	-	-	-
Receivable, net	-	179,941	5,595
Accrued interest	3,041	3,549	4,990
Inventory	6,221	-	16,383
Other assets	705	-	-
	<u>918,290</u>	<u>1,217,779</u>	<u>1,515,240</u>
CAPITAL ASSETS:			
Property, plant, and equipment	116,465	61,105	3,359,410
Construction in progress	-	-	-
Less accumulated depreciation	<u>(35,024)</u>	<u>(25,455)</u>	<u>(3,094,722)</u>
	<u>81,441</u>	<u>35,650</u>	<u>264,688</u>
TOTAL ASSETS	<u>999,731</u>	<u>1,253,429</u>	<u>1,779,928</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable	14,221	39,485	76,587
Accrued payroll and payroll taxes	37,941	29,455	133,316
Due to other funds	-	-	-
Other liabilities	-	-	-
	<u>52,162</u>	<u>68,940</u>	<u>209,903</u>
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS:			
Accrued interest	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Liabilities Payable from Restricted Assets	<u>-</u>	<u>-</u>	<u>-</u>
NONCURRENT LIABILITIES:			
Other long-term liabilities	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>52,162</u>	<u>68,940</u>	<u>209,903</u>
NET ASSETS			
Invested in capital assets, net of related debt	81,441	35,650	264,688
Restricted for:			
Other purposes	-	-	-
Unrestricted	<u>866,128</u>	<u>1,148,839</u>	<u>1,305,337</u>
Total Net Assets	<u>\$ 947,569</u>	<u>\$ 1,184,489</u>	<u>\$ 1,570,025</u>

See Independent Auditors' Report.

CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2002

<u>Public Communications Fund</u>	<u>Fleet Operations Fund</u>	<u>Self Insurance Reserve Fund</u>	<u>Employee Benefit Fund</u>	<u>Total Internal Service Funds</u>
\$ 1,047,165	\$ -	\$ -	\$ 3,815,580	\$ 8,293,629
-	-	10,062,627	-	10,062,627
-	12,473	-	224,564	422,573
3,487	-	739	12,815	28,621
17,056	401,950	-	-	441,610
-	-	-	-	705
<u>1,067,708</u>	<u>414,423</u>	<u>10,063,366</u>	<u>4,052,959</u>	<u>19,249,765</u>
165,278	319,774	15,350	-	4,037,382
-	85,663	-	-	85,663
<u>(111,805)</u>	<u>(179,484)</u>	<u>(15,350)</u>	<u>-</u>	<u>(3,461,840)</u>
<u>53,473</u>	<u>225,953</u>	<u>-</u>	<u>-</u>	<u>661,205</u>
<u>1,121,181</u>	<u>640,376</u>	<u>10,063,366</u>	<u>4,052,959</u>	<u>19,910,970</u>
12,296	117,569	9,057	90,553	359,768
22,170	93,145	6,431	11,854	334,312
-	139,974	7,786	-	147,760
-	-	-	49,022	49,022
<u>34,466</u>	<u>350,688</u>	<u>23,274</u>	<u>151,429</u>	<u>890,862</u>
-	434	-	-	434
-	434	-	-	434
-	-	942,537	716,460	1,658,997
-	-	942,537	716,460	1,658,997
<u>34,466</u>	<u>351,122</u>	<u>965,811</u>	<u>867,889</u>	<u>2,550,293</u>
53,473	225,953	-	-	661,205
-	-	707,441	-	707,441
<u>1,033,242</u>	<u>63,301</u>	<u>8,390,114</u>	<u>3,185,070</u>	<u>15,992,031</u>
<u>\$ 1,086,715</u>	<u>\$ 289,254</u>	<u>\$ 9,097,555</u>	<u>\$ 3,185,070</u>	<u>\$ 17,360,677</u>

See Independent Auditors' Report.

CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	<u>Custodial and Maintenance Services Fund</u>	<u>Utility Customer Services Fund</u>	<u>Information Services Fund</u>
OPERATING REVENUES:			
Charges for services	\$ 842,630	\$ 1,282,031	\$2,931,451
OPERATING EXPENSES:			
Personal services	380,367	410,722	1,390,695
Materials and supplies	87,909	252,318	188,869
Travel and training	557	2,039	56,351
Intragovernmental	58,641	295,929	54,181
Utilities, services, and miscellaneous	226,369	157,589	878,981
Depreciation	5,148	2,183	180,980
TOTAL OPERATING EXPENSES	<u>758,991</u>	<u>1,120,780</u>	<u>2,750,057</u>
OPERATING INCOME (LOSS)	<u>83,639</u>	<u>161,251</u>	<u>181,394</u>
NONOPERATING REVENUES (EXPENSES):			
Investment revenue	52,925	55,193	83,286
Revenue from other governmental units	-	-	-
Miscellaneous revenue	375	270,053	2,439
Interest expense	(97)	-	(3,482)
Loss on disposal of fixed assets	-	-	-
Miscellaneous expense	-	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>53,203</u>	<u>325,246</u>	<u>82,243</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	136,842	486,497	263,637
Transfers in	13,070	-	-
Transfers out	-	-	-
CHANGES IN NET ASSETS	149,912	486,497	263,637
TOTAL NET ASSETS- BEGINNING OF PERIOD	<u>797,657</u>	<u>697,992</u>	<u>1,306,388</u>
TOTAL NET ASSETS- END OF PERIOD	<u>\$ 947,569</u>	<u>\$ 1,184,489</u>	<u>\$1,570,025</u>

See Independent Auditors' Report.

CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

<u>Public Communications Fund</u>	<u>Fleet Operations Fund</u>	<u>Self Insurance Reserve Fund</u>	<u>Employee Benefit Fund</u>	<u>Total Internal Service Funds</u>
\$ 816,879	\$ 3,373,731	\$ 1,620,436	\$ 6,148,300	\$ 17,015,458
265,138	1,085,282	97,612	233,261	3,863,077
257,698	1,972,264	5,312	34,732	2,799,102
667	5,430	4,646	1,926	71,616
48,598	292,755	38,299	47,920	836,323
76,022	41,376	2,184,123	7,766,535	11,330,995
9,547	21,750	-	-	219,608
<u>657,670</u>	<u>3,418,857</u>	<u>2,329,992</u>	<u>8,084,374</u>	<u>19,120,721</u>
159,209	(45,126)	(709,556)	(1,936,074)	(2,105,263)
60,151	-	2,419,349	254,420	2,925,324
-	4,018	-	-	4,018
-	12,607	-	1,274,417	1,559,891
-	(7,488)	(351,389)	-	(362,456)
-	(2,820)	-	-	(2,820)
-	-	(270,869)	-	(270,869)
<u>60,151</u>	<u>6,317</u>	<u>1,797,091</u>	<u>1,528,837</u>	<u>3,853,088</u>
219,360	(38,809)	1,087,535	(407,237)	1,747,825
-	-	-	-	13,070
<u>(26,468)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,468)</u>
192,892	(38,809)	1,087,535	(407,237)	1,734,427
<u>893,823</u>	<u>328,063</u>	<u>8,010,020</u>	<u>3,592,307</u>	<u>15,626,250</u>
<u>\$ 1,086,715</u>	<u>\$ 289,254</u>	<u>\$ 9,097,555</u>	<u>\$ 3,185,070</u>	<u>\$ 17,360,677</u>

See Independent Auditors' Report.

**CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	Custodial and Maintenance Services Fund	Utility Customer Services Fund	Information Services Fund
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers (including other funds)	\$ 842,630	\$ 1,197,057	\$ 2,931,651
Cash received from other sources	375	270,053	2,439
Cash payments to suppliers	(314,309)	(381,565)	(1,057,628)
Cash payments to employees	(371,949)	(409,552)	(1,377,414)
Cash payments to other funds	(58,641)	(295,929)	(54,181)
Other non-operating revenue (expense)	(205)	-	-
Net cash provided by (used for) operating activities	<u>97,901</u>	<u>380,064</u>	<u>444,867</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating transfers in	13,070	-	-
Operating transfers out	-	-	-
Operating grants	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>13,070</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Debt service – interest	(97)	-	(3,482)
Debt service – principal	-	-	(136,601)
Acquisition and construction of capital assets	1	(7,500)	(135,339)
Contributed capital	-	-	-
Proceeds from advances from other funds	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(96)</u>	<u>(7,500)</u>	<u>(275,422)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	48,585	48,281	76,069
Increase (decrease) in fair value of investments	6,084	7,217	10,274
Purchase of investments	-	-	-
Sale of investments	-	-	-
Net cash provided by (used for) investing activities	<u>54,669</u>	<u>55,498</u>	<u>86,343</u>
Net increase (decrease) in cash and cash equivalents	165,544	428,062	255,788
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>742,779</u>	<u>606,227</u>	<u>1,232,484</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 908,323</u>	<u>\$ 1,034,289</u>	<u>\$ 1,488,272</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS:			
Cash and cash equivalents	<u>\$ 908,323</u>	<u>\$ 1,034,289</u>	<u>\$ 1,488,272</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD			
	<u>\$ 908,323</u>	<u>\$ 1,034,289</u>	<u>\$ 1,488,272</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 83,639	\$ 161,251	\$ 181,394
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	5,148	2,183	180,980
Changes in assets and liabilities:			
Decrease (increase) in accts receivable	-	(84,974)	200
Decrease (increase) in due from other funds	-	-	-
Decrease (increase) in inventory	(962)	-	38,027
Decrease (increase) in other assets	(205)	-	-
Increase (decrease) in accounts payable	7,776	30,381	28,546
Increase (decrease) in accrued payroll	8,418	1,170	13,281
Increase (decrease) in due other funds	-	-	-
Increase (decrease) in other liabilities	(6,288)	-	-
Other nonoperating revenue	375	270,053	2,439
Net cash provided by (used for) operating activities	<u>\$ 97,901</u>	<u>\$ 380,064</u>	<u>\$ 444,867</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:			
Change in fair value of investments	\$ -	\$ -	\$ -
Total noncash capital and related financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report.

**CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002**

Public Communications Fund	Fleet Operations Fund	Self Insurance Reserve Fund	Employee Benefit Fund	Total Internal Service Funds
\$ 842,555	\$ 3,450,136	\$ 1,491,389	\$ 6,086,180	\$ 16,841,598
-	12,607	-	1,274,417	1,559,891
(355,702)	(2,039,097)	(2,123,623)	(7,824,703)	(14,096,627)
(262,302)	(1,072,736)	(98,625)	(230,352)	(3,822,930)
(48,598)	(292,755)	(38,299)	(47,920)	(836,323)
-	-	-	-	(205)
<u>175,953</u>	<u>58,155</u>	<u>(769,158)</u>	<u>(742,378)</u>	<u>(354,596)</u>
-	-	-	-	13,070
(26,468)	-	-	-	(26,468)
-	1,400	-	-	1,400
<u>(26,468)</u>	<u>1,400</u>	<u>-</u>	<u>-</u>	<u>(11,998)</u>
-	(6,469)	(390,122)	-	(400,170)
-	-	(24,977,566)	-	(25,114,167)
(1,377)	(20,971)	-	-	(165,186)
-	2,618	-	-	2,618
-	(33,841)	-	-	(33,841)
<u>(1,377)</u>	<u>(58,663)</u>	<u>(25,367,688)</u>	<u>-</u>	<u>(25,710,746)</u>
54,964	-	9,439,121	244,848	9,911,868
7,152	(892)	(6,830,492)	25,129	(6,775,528)
-	-	(50,475,732)	-	(50,475,732)
-	-	74,003,949	-	74,003,949
<u>62,116</u>	<u>(892)</u>	<u>26,136,846</u>	<u>269,977</u>	<u>26,664,557</u>
210,224	-	-	(472,401)	587,217
<u>836,941</u>	<u>-</u>	<u>-</u>	<u>4,287,981</u>	<u>7,706,412</u>
<u>\$ 1,047,165</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,815,580</u>	<u>\$ 8,293,629</u>
<u>\$ 1,047,165</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,815,580</u>	<u>\$ 8,293,629</u>
<u>\$ 1,047,165</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,815,580</u>	<u>\$ 8,293,629</u>
\$ 159,209	\$ (45,126)	\$ (709,556)	\$ (1,936,074)	\$ (2,105,263)
9,547	21,750	-	-	219,608
76	14,808	-	(62,120)	(132,010)
25,600	-	-	-	25,600
1,107	(21,605)	-	-	16,567
-	-	-	-	(205)
(22,422)	1,578	70,458	(18,378)	97,939
2,836	12,546	(1,013)	2,909	40,147
-	61,597	(129,047)	-	(67,450)
-	-	-	(3,132)	(9,420)
-	12,607	-	1,274,417	1,559,891
<u>\$ 175,953</u>	<u>\$ 58,155</u>	<u>\$ (769,158)</u>	<u>\$ (742,378)</u>	<u>\$ (354,596)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,830,492)</u>	<u>\$ -</u>	<u>\$ (6,830,492)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,830,492)</u>	<u>\$ -</u>	<u>\$ (6,830,492)</u>

See Independent Auditors' Report.

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FIDUCIARY FUNDS

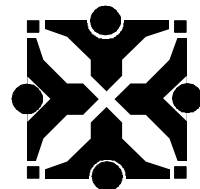
Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the City's own programs.

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.

Thomas E. Lee Trust Fund - to account for resources for a trust that was established for payments to indigent persons of Columbia, Missouri.

REDI Trust Fund - to account for all Regional Economic Development, Inc. transactions.



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CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2002

	<u>Pension Trust Funds</u>		
	<u>Firefighters'</u> <u>Retirement Fund</u>	<u>Police</u> <u>Retirement Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Accrued interest	164,268	107,645	271,913
Other assets	-	-	-
Investments	32,004,613	20,972,542	52,977,155
Capital assets	7,061	4,627	11,688
Accumulated depreciation	(7,061)	(4,627)	(11,688)
Total Assets	<u>32,168,881</u>	<u>21,080,187</u>	<u>53,249,068</u>
LIABILITIES			
Accounts payable	121	79	200
Due to other funds	319,963	209,671	529,634
Other liabilities	29,099	19,069	48,168
Total Liabilities	<u>349,183</u>	<u>228,819</u>	<u>578,002</u>
NET ASSETS			
Net assets held in trust for pension benefits	31,819,698	20,851,368	52,671,066
Unrestricted	-	-	-
Total Net Assets	<u>\$ 31,819,698</u>	<u>\$ 20,851,368</u>	<u>\$ 52,671,066</u>

See Independent Auditors' Report.

CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2002

	<u>Private Purpose Trust Funds</u>			<u>Total</u>
	<u>Conley Poor Fund</u>	<u>Thomas E. Lee Trust Fund</u>	<u>REDI Trust Fund</u>	
ASSETS				
Cash and cash equivalents	\$ 73,779	\$ -	\$ 276,003	\$ 349,782
Accrued interest	249	-	912	1,161
Other assets	-	-	2,958	2,958
Investments	-	-	-	-
Capital assets	-	-	-	-
Accumulated depreciation	-	-	-	-
Total Assets	<u>74,028</u>	<u>-</u>	<u>279,873</u>	<u>353,901</u>
LIABILITIES				
Accounts payable	53	-	4,465	4,518
Due to other funds	-	-	-	-
Other liabilities	-	-	7,666	7,666
Total Liabilities	<u>53</u>	<u>-</u>	<u>12,131</u>	<u>12,184</u>
NET ASSETS				
Net assets held in trust for pension benefits	-	-	-	-
Unrestricted	<u>73,975</u>	<u>-</u>	<u>267,742</u>	<u>341,717</u>
Total Net Assets	<u>\$ 73,975</u>	<u>\$ -</u>	<u>\$ 267,742</u>	<u>\$ 341,717</u>

See Independent Auditors' Report.

CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	<u>Pension Trust Funds</u>		
	<u>Firefighters' Retirement Fund</u>	<u>Police Retirement Fund</u>	<u>Total</u>
ADDITIONS			
Contributions:			
Private Chamber	\$ -	\$ -	\$ -
City	1,149,108	1,435,954	2,585,062
County	-	-	-
University	-	-	-
Employee	994,373	209,875	1,204,248
Net investment income (expense):			
Net (depreciation) in fair value of investments	(2,445,701)	(1,606,236)	(4,051,937)
Interest and dividends	2,016,874	1,323,151	3,340,025
Miscellaneous	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total additions	<u>1,714,654</u>	<u>1,362,744</u>	<u>3,077,398</u>
DEDUCTIONS			
Current:			
Health and environment:			
Services and miscellaneous	-	-	-
Policy development and administration:			
Materials and supplies	-	-	-
Travel and training	-	-	-
Intragovernmental	21,554	14,141	35,695
Utilities, services, and miscellaneous	19,601	12,859	32,460
Pension benefits	2,254,414	1,798,105	4,052,519
Refund of employee's contributions	48,904	-	48,904
Transfers to other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>2,344,473</u>	<u>1,825,105</u>	<u>4,169,578</u>
Change in net assets	(629,819)	(462,361)	(1,092,180)
NET ASSETS - BEGINNING	<u>32,449,517</u>	<u>21,313,729</u>	<u>53,763,246</u>
NET ASSETS - ENDING	<u>\$ 31,819,698</u>	<u>\$ 20,851,368</u>	<u>\$ 52,671,066</u>

See Independent Auditors' Report.

CITY OF COLUMBIA, MISSOURI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

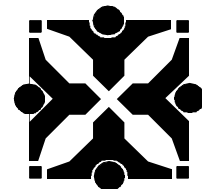
	<u>Private Purpose Trust Funds</u>			<u>Total</u>
	<u>Conley Poor Fund</u>	<u>Thomas E. Lee Trust Fund</u>	<u>REDI Trust Fund</u>	
ADDITIONS				
Contributions:				
Private	\$ -	\$ -	\$ 4,000	\$ 4,000
Chamber	-	-	85,500	85,500
City	-	-	20,000	20,000
County	-	-	35,000	35,000
University	-	-	15,000	15,000
Employee	-	-	-	-
Net investment income (expense):				
Net (depreciation) in fair value of investments	-	-	-	-
Interest and dividends	8,556	310	19,790	28,656
Miscellaneous	-	-	7,936	7,936
	<u>-</u>	<u>-</u>	<u>7,936</u>	<u>7,936</u>
Total additions	<u>8,556</u>	<u>310</u>	<u>187,226</u>	<u>196,092</u>
DEDUCTIONS				
Current:				
Health and environment:				
Services and miscellaneous	2,137	-	-	2,137
Policy development and administration:				
Materials and supplies	-	-	24,699	24,699
Travel and training	-	-	35,805	35,805
Intragovernmental	-	-	465	465
Utilities, services, and miscellaneous	-	-	137,484	137,484
Pension benefits	-	-	-	-
Refund of employee's contributions	-	-	-	-
Transfers to other funds	-	5,078	-	5,078
	<u>-</u>	<u>5,078</u>	<u>-</u>	<u>5,078</u>
Total Deductions	<u>2,137</u>	<u>5,078</u>	<u>198,453</u>	<u>205,668</u>
Change in net assets	6,419	(4,768)	(11,227)	(9,576)
NET ASSETS - BEGINNING	<u>67,556</u>	<u>4,768</u>	<u>278,969</u>	<u>351,293</u>
NET ASSETS - ENDING	<u>\$ 73,975</u>	<u>\$ -</u>	<u>\$ 267,742</u>	<u>\$341,717</u>

See Independent Auditors' Report.

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STATISTICAL DATA

The Statistical Data "relates to the physical, economic, social and political characteristics of the City." Its design is to provide "a broader and more complete understanding of the City and its financial affairs than is possible from the financial statements, notes and supporting schedule presentation in the Financial Section."



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TABLE 1

**CITY OF COLUMBIA, MISSOURI
GENERAL GOVERNMENT (a)**

**EXPENDITURES AND OTHER FINANCING USES BY FUNCTION (b)
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended</u>	<u>Total</u>	<u>Policy Development and Administration</u>	<u>Public Safety</u>	<u>Transportation</u>
1993	\$ 40,166,922	\$ 5,098,890 12.69%	\$ 14,354,478 35.74%	\$ 3,375,095 8.40%
1994	45,884,619	5,353,291 11.67%	15,542,102 33.87%	3,116,457 6.79%
1995	50,680,617	5,802,956 11.45%	16,109,255 31.79%	3,529,615 6.97%
1996	53,789,060	6,167,095 11.47%	17,042,840 31.69%	3,519,198 6.54%
1997	55,871,278	6,351,294 11.37%	18,333,619 32.81%	3,380,411 6.05%
1998	56,561,908	6,708,191 11.86%	18,995,112 33.58%	3,966,967 7.01%
1999	62,939,078	7,016,308 11.15%	20,067,864 31.88%	4,076,785 6.48%
2000	60,653,382	7,188,527 11.85%	22,121,679 36.47%	3,859,721 6.36%
2001	74,631,405	7,562,805 10.13%	23,301,920 31.22%	4,105,897 5.50%
2002	73,268,126	7,756,236 10.59%	24,521,668 33.47%	4,203,240 5.74%

(a) Includes General, Special Revenue, and Debt Service Funds. Community Development Grant Fund was reclassified from a Trust Fund to a Special Revenue Fund in 1996, therefore, 1995 through 2002 numbers include this fund.

(b) Fiscal years prior to 1996 include encumbrances.

**CITY OF COLUMBIA, MISSOURI
GENERAL GOVERNMENT (a)**

**EXPENDITURES AND OTHER FINANCING USES BY FUNCTION (b)
LAST TEN FISCAL YEARS**

<u>Health and Environment</u>	<u>Personal Development</u>	<u>Operating Transfers to Other Funds</u>	<u>Debt Service</u>	<u>Miscellaneous</u>
6.50% \$ 2,611,237	10.79% \$ 4,332,283	19.00% \$ 7,630,838	6.37% \$ 2,558,975	0.51% \$ 205,126
6.61% 3,034,278	8.10% 3,718,448	22.38% 10,268,519	9.79% 4,489,690	0.79% 361,834
7.50% 3,802,917	8.85% 4,485,948	22.98% 11,645,896	9.54% 4,835,242	0.92% 468,788
7.53% 4,051,992	8.22% 4,413,539	21.63% 11,632,865	12.39% 6,662,472	0.56% 299,059
7.77% 4,338,712	8.31% 4,644,060	22.16% 12,382,443	11.38% 6,355,441	0.15% 85,298
8.25% 4,663,835	8.83% 4,995,514	21.35% 12,077,252	9.02% 5,104,679	0.09% 50,358
7.35% 4,626,032	8.56% 5,388,990	27.37% 17,228,039	7.06% 4,442,594	0.15% 92,466
7.89% 4,782,554	11.81% 7,163,125	20.55% 12,462,765	4.88% 2,957,544	0.19% 117,467
6.98% 5,207,107	20.55% 15,335,759	20.99% 15,666,126	4.53% 3,384,123	0.09% 67,668
7.97% 5,839,638	10.63% 7,789,741	27.18% 19,912,640	4.18% 3,065,882	0.24% 179,081

CITY OF COLUMBIA, MISSOURI

TABLE 2

GENERAL REVENUE AND OTHER FINANCING SOURCES (a)
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended</u>	<u>Total General Revenue</u>	<u>Taxes (b)</u>	<u>Licenses and Permits</u>	<u>Court Fines</u>
1993	\$ 45,344,930	\$ 31,024,797	\$ 436,008	\$ 702,585
		68.42%	0.96%	1.55%
1994	47,862,885	33,141,424	474,996	734,357
		69.25%	0.99%	1.53%
1995	52,236,144	34,774,664	494,149	692,382
		66.57%	0.95%	1.33%
1996	54,598,093	36,896,579	508,783	783,833
		67.58%	0.93%	1.43%
1997	58,146,901	39,027,880	526,049	941,341
		67.12%	0.90%	1.62%
1998	60,608,350	40,878,843	585,911	1,052,303
		67.45%	0.97%	1.74%
1999	58,378,868	34,429,568	584,779	976,225
		58.98%	1.00%	1.67%
2000	61,718,222	42,432,675	607,876	1,147,091
		68.75%	0.98%	1.86%
2001	79,351,601	49,419,091	638,640	1,201,343
		62.28%	0.80%	1.51%
2002	77,336,815	54,310,740	651,697	1,489,192
		70.23%	0.84%	1.93%

(a) Includes General, Special Revenue, and Debt Service Funds. Community Development Grant Fund was reclassified from a Trust Fund to a Special Revenue Fund in 1996, therefore, 1995 through 2002 numbers include this fund.

(b) General Property Taxes, Sales, Tax, Other Local Taxes, and Payment-In-Lieu-Of-Taxes.

(c) Revenue From Other Governmental Units, Investment Revenue, Miscellaneous Revenue, Increase in Obligation Under Capital Leases, Fixed Rate Receipts for fiscal years 1988 through 1991; Operating Transfers From Other Funds; Proceeds from 1992 Refunding Bonds; and Proceeds from 1996 Special Obligation Bonds.

CITY OF COLUMBIA, MISSOURI

TABLE 2, Cont.

EXPENDITURES AND OTHER FINANCING USES BY FUNCTION (a)
LAST TEN FISCAL YEARS

<u>Fees and Service Charges</u>	<u>General and Administrative Charges</u>	<u>Other Revenue and Fund Transfers (c)</u>
1.89% \$ 857,752	4.44% \$ 2,011,087	22.74% \$ 10,312,701
2.19% 1,048,575	4.44% 2,123,848	21.60% 10,339,685
2.64% 1,382,099	4.31% 2,251,280	24.20% 12,641,570
2.76% 1,504,930	4.38% 2,390,833	22.92% 12,513,135
2.68% 1,557,454	4.28% 2,486,467	23.40% 13,607,710
2.51% 1,520,997	4.23% 2,561,574	23.11% 14,008,722
2.86% 1,668,461	4.31% 2,517,763	31.18% 18,202,072
2.72% 1,679,438	4.23% 2,612,334	21.45% 13,238,808
2.26% 1,790,282	3.65% 2,896,359	29.50% 23,405,886
2.38% 1,840,341	3.70% 2,862,384	20.92% 16,182,461

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TABLE 3

**CITY OF COLUMBIA, MISSOURI
GENERAL FUND**

**TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS**

Fiscal Year Ended	Total Taxes	General Property Taxes	Sales Taxes	Other Local Taxes	Water and Electric P.I.L.O.T. (a)
1993	\$ 19,836,900	\$ 1,201,114	\$ 8,849,819	\$ 4,898,365	\$ 4,887,602
		6.10%	44.60%	24.70%	24.60%
1994	20,910,859	1,303,949	9,697,609	4,719,503	5,189,798
		6.20%	46.40%	22.60%	24.80%
1995	22,145,219	1,384,418	10,424,318	5,073,050	5,263,433
		6.30%	47.10%	22.90%	23.80%
1996	23,571,166	1,441,622	11,085,970	5,312,947	5,730,627
		6.10%	47.00%	22.50%	24.30%
1997	24,969,252	1,570,154	11,651,707	5,739,701	6,007,690
		6.30%	46.70%	23.00%	24.10%
1998	26,181,887	1,695,791	12,295,422	5,844,435	6,346,239
		6.50%	47.00%	22.30%	24.20%
1999	26,894,947	1,777,634	12,869,673	5,791,616	6,456,024
		6.60%	47.90%	21.50%	24.00%
2000	28,113,729	2,103,145	13,373,604	5,879,396	6,757,584
		7.50%	47.60%	20.90%	24.00%
2001	31,422,949	3,007,517	14,443,129	6,927,385	7,044,918
		9.60%	46.00%	22.10%	22.40%
2002	33,500,345	4,263,326	14,946,467	7,110,539	7,180,013
		12.73%	44.62%	21.23%	21.43%

(a) Per the City Charter, the Water and Electric Utility is to remit to the General Government of the City of Columbia an amount substantially equal to the amount of taxes which would have been paid if the Water and Electric were privately owned.

**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>
1993	\$ 1,130,905 (b)	\$ 1,113,711	98.48%	\$ 29,632
1994	1,223,121 (b)	1,202,748	98.33%	23,387
1995	1,296,990 (b)	1,277,349	98.49%	11,909
1996	1,396,311 (b)	1,380,996	98.90%	18,910
1997	1,538,931 (b)	1,524,115	99.04%	16,362
1998	1,648,833 (b)	1,631,401	98.94%	12,276
1999	1,717,700 (b)	1,702,288	99.10%	21,223
2000	2,034,745 (b)	2,009,673	98.77%	14,418
2001	2,905,504 (b)	2,859,111	98.40%	18,770
2002	4,127,151 (b)	4,074,122	98.72%	49,570

(a) Balances are net of amounts deducted for estimated uncollectible taxes and collection fees withheld by County.

(b) Includes deferred property tax revenue.

**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>
\$ 1,143,343	101.10%	\$ 14,584	1.29%
1,226,135	100.25%	8,391	0.69%
1,289,258	99.40%	16,855	1.30%
1,399,906	100.26%	17,586	1.26%
1,540,477	100.10%	16,538	1.07%
1,643,677	99.69%	19,078	1.16%
1,723,511	100.34%	15,287	0.89%
2,024,091	99.48%	16,282	0.80%
2,877,881	99.05%	22,584	0.78%
4,123,692	99.92%	16,407	0.40%

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CITY OF COLUMBIA, MISSOURI

ASSESSSED AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>State Assessed Value</u>	<u>Total Assessed Value</u>	<u>Total Fair Market Value</u>	<u>Percentage Of Fair Market Value</u>
1993	\$ 434,873,990	\$ 93,568,896	\$ 1,770,555	\$ 530,213,441	\$ 2,201,845,358	24.0%
1994	470,848,862	105,520,334	2,050,474	578,419,670	2,410,081,958	24.0%
1995	488,789,899	118,940,751	2,310,679	610,041,329	2,541,838,871	24.0%
1996	511,620,136	128,312,503	3,282,682	643,215,321	2,680,063,838	24.0%
1997	538,800,795	153,771,094	4,519,144	697,091,033	2,904,545,971	24.0%
1998	657,617,565	164,951,921	5,101,533	827,671,019	3,448,629,246	24.0%
1999	688,923,971	176,474,738	4,755,062	870,153,771	3,625,640,713	24.0%
2000	714,842,106	190,394,191	5,518,830	910,755,127	3,794,813,029	24.0%
2001	739,345,179	204,214,788	5,072,034	948,632,001	3,952,633,338	24.0%
2002	802,530,799	211,324,296	5,428,871	1,019,283,966	4,247,016,525	24.0%

CITY OF COLUMBIA, MISSOURI

PROPERTY TAX RATES AND TAX LEVIES – DIRECT AND OVERLAPPING GOVERNMENTS (a)
LAST TEN FISCAL YEARS

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
CITY TAX RATES:					
General Fund	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22
Debt Service Fund	0.32	0.32	0.26	0.26	0.26
Library Funds	0.30	0.30	0.30	0.30	0.30
Total City Tax Rate	<u>0.84</u>	<u>0.84</u>	<u>0.78</u>	<u>0.78</u>	<u>0.78</u>
SCHOOL DISTRICT	<u>4.37</u>	<u>4.37</u>	<u>4.45</u>	<u>4.55</u>	<u>4.56</u>
COUNTY TAX RATES:					
County	0.12	0.12	0.12	0.12	0.12
Hospital Maintenance	0.00	0.00	0.00	0.00	0.00
Bridge Bond	0.02	0.02	0.00	0.00	0.00
Hospital Debt Service	0.00	0.00	0.00	0.00	0.00
Group Homes (b)	0.05	0.12	0.12	0.12	0.12
Boone Retirement Center	0.02	0.02	0.00	0.00	0.00
Highway	0.29	0.29	0.05	0.05	0.05
Total County Tax Rates (c)	<u>0.50</u>	<u>0.57</u>	<u>0.29</u>	<u>0.29</u>	<u>0.29</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>\$5.74</u>	<u>\$5.81</u>	<u>\$5.55</u>	<u>\$5.65</u>	<u>\$5.66</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.

CITY OF COLUMBIA, MISSOURI

PROPERTY TAX RATES AND TAX LEVIES – DIRECT AND OVERLAPPING GOVERNMENTS (a)
LAST TEN FISCAL YEARS

<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
\$0.20	\$0.20	\$0.23	\$0.31	\$0.41
0.21	0.21	0.18	0.10	0.00
<u>0.28</u>	<u>0.29</u>	<u>0.65</u>	<u>0.65</u>	<u>0.64</u>
<u>0.69</u>	<u>0.70</u>	<u>1.06</u>	<u>1.06</u>	<u>1.05</u>
<u>4.12</u>	<u>4.12</u>	<u>4.70</u>	<u>4.79</u>	<u>4.75</u>
0.12	0.12	0.13	0.13	0.13
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	0.12	0.12	0.12	0.12
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>0.29</u>	<u>0.30</u>	<u>0.30</u>	<u>0.30</u>
<u>0.03</u>	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>
<u><u>\$5.12</u></u>	<u><u>\$5.14</u></u>	<u><u>\$6.09</u></u>	<u><u>\$6.18</u></u>	<u><u>\$6.14</u></u>

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CITY OF COLUMBIA, MISSOURI
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS

		<u>Tax Billed</u>	<u>Collections (a)</u>
Street Improvements	1993	\$ 193,975	\$ 193,975
	1994	63,530	63,530
	1995	147,229	147,229
	1996	73,709	73,709
	1997	100,600	100,600
	1998	173,758	173,758
	1999	15,153	15,153
	2000	79,976	79,976
	2001	0	0
	2002	84,662	84,662
Street Maintenance	1993	56,158	56,158
	1994	38,105	38,105
	1995	9,511	9,511
	1996	36,069	36,069
	1997	0	0
	1998	1,808	1,808
	1999	9,557	9,557
	2000	21,950	21,950
	2001	0	0
	2002	31,240	31,240
Sewer Districts	1993	7,255	7,255
	1994	17,101	17,101
	1995	104,563	104,563
	1996	0	0
	1997	46,159	46,159
	1998	0	0
	1999	0	0
	2000	0	0
	2001	0	0
	2002	44,691	44,691

(a) Special Assessment tax bills are sold to the Designated Loan and Special Tax Bill Investment Fund. Collections include tax bills which were awarded to contractors in exchange for work performed.

CITY OF COLUMBIA, MISSOURI

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND PER CAPITA
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended</u>	<u>Estimated Population</u>	<u>Assessed Value (a)</u>	<u>Gross Bonded Debt</u>	<u>Less Debt Service Funds</u>
1993	\$ 71,195	\$ 528,442,886	\$ 26,255,000	\$ 6,456,180
1994	71,907	576,369,196	23,320,000	7,465,244
1995	73,078	607,730,650	20,105,000	8,307,568
1996	75,561	639,932,639	27,540,000	7,986,841
1997	76,316	697,091,033 (b)	22,580,000	7,843,602
1998	77,079	827,671,019 (b)	16,865,000	8,518,540
1999	79,082	870,153,771 (b)	7,620,000	6,739,832
2000	79,873	910,755,127 (b)	5,035,000	6,490,267
2001	86,391	948,632,001 (b)	2,125,000	2,574,573
2002	88,291	1,019,283,966 (b)	2,125,000	1,190,238

(a) Real and personal property.

(b) Includes State Assessed.

CITY OF COLUMBIA, MISSOURI

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND PER CAPITA
LAST TEN FISCAL YEARS

<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
\$ 19,798,820	3.75 %	\$ 278.09
15,854,756	2.75 %	220.49
11,797,432	1.94 %	161.44
19,553,159	3.06 %	258.77
14,736,398	2.11 %	193.10
8,346,460	1.01 %	108.28
880,168	0.10 %	11.13
(1,455,267)	(0.16) %	(18.22)
(449,573)	(0.05) %	(5.20)
934,762	0.09 %	10.58

CITY OF COLUMBIA, MISSOURI
 COMPUTATION OF LEGAL DEBT MARGIN
 SEPTEMBER 30, 2002

Assessed value (2002 FY)		<u>\$1,054,769,563</u> *
Constitutional debt limit **		\$210,953,913
(20% assessed value)		
Total bonded debt	\$97,585,000	
Less:		
Water and Electric Utility Bonds	\$73,765,000	
Sanitary Sewer Utility Bonds	18,730,000	
Parking Revenue Bonds	2,965,000	
	<u>95,460,000</u>	
Total amount of debt applicable to debt limit		<u>2,125,000</u>
Legal debt margin		<u>\$208,828,913</u>

* 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.

CITY OF COLUMBIA, MISSOURI

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2002

<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</u>	<u>Amount Applicable to City of Columbia</u>
City of Columbia	\$2,125,000	\$1,190,238	\$934,762	100.0%	\$934,762
Columbia School District	119,225,000	8,636,142	110,588,858	78.8%	87,144,020
Boone County	1,125,000	214,725	910,275	69.0%	628,090
Totals	<u>\$122,475,000</u>	<u>\$10,041,105</u>	<u>\$112,433,895</u>		<u>\$88,706,872</u>

NOTE: Special Obligation Bonds are not included in this schedule but have been included in the past. This change accounts for the significant difference among this year and previous years' schedules.

CITY OF COLUMBIA, MISSOURI

SCHEDULE OF BONDED INDEBTEDNESS
SEPTEMBER 30, 2002

	<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>
GENERAL OBLIGATION BONDS:						
1992 G.O. Refunding Bonds	2.75 – 9.00%	08/01/92	14	10/01/06	\$16,670,000	<u>\$2,125,000</u>
Total General Obligation Bonds						<u><u>\$2,125,000</u></u>
REVENUE BONDS:						
1985 Water and Electric Series B Bonds	determined weekly	12/12/85	30	12/01/15	15,500,000	\$15,500,000
1992 Water & Electric	2.75 – 5.70%	07/01/92	20	10/01/12	34,140,000	13,645,000
1998 Water & Electric	3.75 – 6.00%	03/01/98	25	10/01/22	28,295,000	28,130,000
2002 Water & Electric	3.00 – 6.00%	02/01/02	25	10/01/26	16,490,000	16,490,000
1979 Sanitary Sewerage System Revenue Bonds	5.00 – 7.00%	08/01/79	20	10/01/04	3,500,000	815,000
1992 Sanitary Sewerage System Revenue Bonds	4.00 – 6.25%	06/01/92	25	10/01/17	8,515,000	—
1992 Sanitary Sewerage System Series B	4.25 – 6.55%	06/01/92	20	01/01/13	870,000	600,000
1992 Sanitary Sewerage System Refunding	5.60%	08/01/92	10	10/01/02	795,000	100,000
1999 Sanitary Sewerage System Revenue Bonds Series A	3.625 – 5.250%	06/01/99	20	01/01/20	3,730,000	3,405,000
1999 Sanitary Sewerage System Revenue Bonds Series B	4.125 – 6.000%	12/01/99	20	07/01/20	1,420,000	1,300,000
2000 Sanitary Sewerage System Revenue Bonds Series B	4.350 – 5.625%	11/01/00	20	07/01/21	2,445,000	2,340,000
2002 Sanitary Sewerage System Revenue Bonds	3.000 – 5.375%	05/08/02	24	01/01/26	2,230,000	2,230,000
2002 Sanitary Sewerage System Refunding	2.000 – 3.750%	09/01/02	15	10/01/17	7,940,000	7,940,000
1995 Parking System Revenue Bonds	3.80 – 6.00%	09/15/95	25	10/01/20	3,400,000	<u>2,965,000</u>
Total Revenue Bonds						<u><u>\$95,460,000</u></u>

CITY OF COLUMBIA, MISSOURI

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES AND OTHER FINANCING USES
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended</u>	<u>General Obligation Refunding 1992 Issue Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Expenditures and Other Financing Uses (a)</u>	<u>Ratio of Debt Service Total to General Fund Expenditures</u>
1993	\$ 905,000	\$ 1,601,429	\$ 2,506,429	\$ 40,166,922	6.24%
1994	935,000	942,435	1,877,435	45,884,619	4.09%
1995	1,015,000	867,635	1,882,635	50,680,617	3.71%
1996	2,600,000	1,206,384	3,806,384	53,789,060	7.08%
1997	1,920,000	601,710	2,521,710	55,871,278	4.51%
1998	1,195,000	477,930	1,672,930	56,561,908	2.96%
1999	2,660,000	506,664	3,166,664	61,681,184	5.13%
2000	1,305,000	255,655	1,560,655	60,653,382	2.57%
2001	1,365,000	187,795	1,552,795	74,631,405	2.08%
2002	1,425,000	115,450	1,540,450	73,915,786	2.08%

(a) Includes General, Special Revenue, and Debt Service Funds. Fiscal years prior to 1996 include encumbrances.

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			Revenue Bond Coverage
	Operating Revenue	Operating Expenses	Net Revenue	Principal	Interest (b)	Total	
1993	\$ 53,242,691	\$ 40,282,370	\$ 12,960,321	\$ 1,705,000	\$ 2,328,638	\$ 4,033,638	3.21
1994	56,290,190	41,381,747	14,908,443	1,860,000	2,697,149	4,557,149	3.27
1995	58,060,232	43,906,356	14,153,876	1,975,000	2,760,786	4,735,786	2.99
1996	61,469,098	46,683,099	14,785,999	2,100,000	2,603,721	4,703,721	3.14
1997	64,378,013	47,793,898	16,584,115	2,240,000	2,503,608	4,743,608	3.50
1998	68,573,930	51,395,707	17,178,223	2,395,000	2,139,657	4,534,657	3.79
1999	70,166,637	49,990,146	20,176,491	2,570,000	3,317,423	5,887,423	3.43
2000	69,271,332	51,540,778	17,730,554	2,755,000	3,189,547	5,944,547	2.98
2001	72,367,292	53,888,913	18,478,379	2,895,000	2,931,287	5,826,287	3.17
2002	73,119,302	54,840,910	18,278,392	3,035,000	2,494,394	5,529,394	3.31

(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.

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	
1993	\$ 4,587,798	\$ 2,927,895	\$ 1,659,903	\$ 135,000	\$ 678,909	\$ 813,909	2.04
1994	4,939,764	3,267,826	1,671,938	235,000	767,250	1,002,250	1.67
1995	5,127,096	3,649,102	1,477,994	250,000	753,916	1,003,916	1.47
1996	5,199,547	3,738,545	1,461,002	265,000	739,481	1,004,481	1.45
1997	5,362,156	4,120,262	1,241,894	285,000	723,898	1,008,898	1.23
1998	5,847,430	4,284,596	1,562,834	300,000	707,208	1,007,208	1.55
1999	6,330,643	4,279,077	2,051,566	320,000	746,511	1,066,511	1.92
2000	6,615,999	4,753,332	1,862,667	340,000	903,791	1,243,791	1.50
2001	6,625,021	4,626,936	1,998,085	570,000	1,003,502	1,573,502	1.27
2002	7,957,444	5,098,788	2,858,656	705,000	1,069,619	1,774,619	1.61

- (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.
- (d) This includes Special Obligation Bonds, Series 2001A, which are to be treated as a sewer system revenue bond issue.

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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>
1996	\$885,931	\$309,216	\$576,715	\$0	\$102,429	\$102,429	5.63
1997	963,701	328,248	635,453	60,000	186,994	246,994	2.57
1998	988,387	419,692	568,695	65,000	184,554	249,554	2.28
1999	1,129,415	480,188	649,227	70,000	181,802	251,802	2.58
2000	1,138,465	591,317	547,148	75,000	178,737	253,737	2.16
2001	1,208,867	611,500	597,367	80,000	175,344	255,344	2.34
2002	1,694,281	738,795	955,486	85,000	171,609	256,609	3.72

(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. The Parking Revenue Bonds are dated September 15, 1995 and the first principal payment is due October 1, 1996; accordingly, 1996 through 2002 are the only years presented herein.

(b) Interest payments made during the fiscal year.

CITY OF COLUMBIA, MISSOURI

DEBT SERVICE REQUIREMENTS TO MATURITY
GENERAL AND SPECIAL OBLIGATION BONDS
AND CERTIFICATES OF PARTICIPATION
SEPTEMBER 30, 2002

Fiscal Year Ended	SPECIAL OBLIGATION BONDS 2001			GENERAL OBLIGATION REFUNDING BONDS 1992			SPECIAL OBLIGATION BONDS 1996	
	Maturities	Interest Due	Maturities and Interest	Maturities	Interest Due	Maturities and Interest	Maturities	Interest Due
2003	\$275,000	\$303,916	\$578,916	\$2,125,000	\$38,500	\$2,163,500	\$475,000	\$496,687
2004	285,000	293,696	578,696	0	0	0	500,000	472,550
2005	290,000	283,203	573,203	0	0	0	525,000	446,663
2006	300,000	272,360	572,360	0	0	0	550,000	418,975
2007	310,000	260,998	570,998	0	0	0	580,000	389,450
2008	315,000	249,278	564,278	0	0	0	610,000	357,907
2009	330,000	237,185	567,185	0	0	0	645,000	324,014
2010	340,000	224,537	564,537	0	0	0	680,000	288,248
2011	355,000	211,244	566,244	0	0	0	715,000	250,753
2012	370,000	197,010	567,010	0	0	0	755,000	210,874
2013	380,000	181,725	561,725	0	0	0	795,000	168,438
2014	395,000	165,348	560,348	0	0	0	840,000	123,475
2015	420,000	147,615	567,615	0	0	0	885,000	76,037
2016	435,000	128,588	563,588	0	0	0	940,000	25,850
2017	455,000	108,335	563,335	0	0	0	0	0
2018-2021	2,070,000	202,940	2,272,940	0	0	0	0	0
Total	\$7,325,000	\$3,467,978	\$10,792,978	\$2,125,000	\$38,500	\$2,163,500	\$9,495,000	\$4,049,921

CITY OF COLUMBIA, MISSOURI

 DEBT SERVICE REQUIREMENTS TO MATURITY
 GENERAL AND SPECIAL OBLIGATION BONDS
 AND CERTIFICATES OF PARTICIPATION
 SEPTEMBER 30, 2002

S.O. BONDS 1996	CERTIFICATES OF PARTICIPATION 2001			CERTIFICATES OF PARTICIPATION 2001A			Total Maturities and Interest
	Maturities and Interest	Maturities	Interest Due	Maturities and Interest	Maturities	Due	
\$971,687	\$0	\$418,250	\$418,250	\$2,740,000	\$535,503	\$3,275,503	\$7,407,856
972,550	0	418,250	418,250	2,950,000	421,702	3,371,702	5,341,198
971,663	0	418,250	418,250	3,165,000	299,402	3,464,402	5,427,518
968,975	0	418,250	418,250	3,405,000	168,002	3,573,002	5,532,587
969,450	7,000,000	209,125	7,209,125	100,000	97,902	197,902	8,947,475
967,907	0	0	0	105,000	93,737	198,737	1,730,922
969,014	0	0	0	110,000	89,234	199,234	1,735,433
968,248	0	0	0	115,000	84,381	199,381	1,732,166
965,753	0	0	0	120,000	79,165	199,165	1,731,162
965,874	0	0	0	125,000	73,590	198,590	1,731,474
963,438	0	0	0	130,000	67,660	197,660	1,722,823
963,475	0	0	0	135,000	61,365	196,365	1,720,188
961,037	0	0	0	140,000	54,625	194,625	1,723,277
965,850	0	0	0	150,000	47,375	197,375	1,726,813
0	0	0	0	155,000	39,750	194,750	758,085
0	0	0	0	700,000	74,313	774,313	3,047,253
\$13,544,921	\$7,000,000	\$1,882,125	\$8,882,125	\$14,345,000	\$2,287,706	\$16,632,706	\$52,016,230

CITY OF COLUMBIA, MISSOURI

TABLE 17

DEBT SERVICE REQUIREMENTS TO MATURITY
WATER AND ELECTRIC UTILITY BONDS
SEPTEMBER 30, 2002

Fiscal Year Ended	1985 SERIES B REVENUE BONDS			1992 SERIES REVENUE BONDS		
	Maturities	Interest Due *	Maturities and Interest	Maturities	Interest Due	Maturities and Interest
2003	\$0	\$0	\$0	\$3,145,000	\$673,290	\$3,818,290
2004	0	0	0	3,315,000	497,213	3,812,213
2005	0	0	0	3,495,000	308,190	3,803,190
2006	0	0	0	3,690,000	105,165	3,795,165
2007	0	0	0	0	0	0
2008	0	0	0	0	0	0
2009	0	0	0	0	0	0
2010	0	0	0	0	0	0
2011	0	0	0	0	0	0
2012	0	0	0	0	0	0
2013	0	0	0	0	0	0
2014	0	0	0	0	0	0
2015	0	0	0	0	0	0
2016	15,500,000	0	15,500,000	0	0	0
2017	0	0	0	0	0	0
2018	0	0	0	0	0	0
2019	0	0	0	0	0	0
2020	0	0	0	0	0	0
2021	0	0	0	0	0	0
2022	0	0	0	0	0	0
2023	0	0	0	0	0	0
2024	0	0	0	0	0	0
2025	0	0	0	0	0	0
2026	0	0	0	0	0	0
2027	0	0	0	0	0	0
Total	<u>\$15,500,000</u>	<u>\$0</u>	<u>\$15,500,000</u>	<u>\$13,645,000</u>	<u>\$1,583,858</u>	<u>\$15,228,858</u>

* Interest for the Water and Electric Utility 1985 Series B Revenue Bonds is not included because it is variable. The interest rate on September 30, 2002 was 1.7%, and the effective interest rate for the fiscal year was 1.14%.

CITY OF COLUMBIA, MISSOURI

DEBT SERVICE REQUIREMENTS TO MATURITY
WATER AND ELECTRIC UTILITY BONDS
SEPTEMBER 30, 2002

1998 SERIES REVENUE BONDS			2002 SERIES REVENUE BONDS			Total Maturities and Interest
Maturities	Interest Due	Maturities and Interest	Maturities	Interest Due	Maturities and Interest	
\$60,000	\$1,431,795	\$1,491,795	\$205,000	\$890,845	\$1,095,845	\$6,405,930
60,000	1,429,305	1,489,305	260,000	756,168	1,016,168	6,317,686
60,000	1,426,755	1,486,755	265,000	747,961	1,012,961	6,302,906
70,000	1,423,943	1,493,943	455,000	735,690	1,190,690	6,479,798
1,550,000	1,375,920	2,925,920	465,000	719,011	1,184,011	4,109,931
1,645,000	1,280,070	2,925,070	480,000	700,692	1,180,692	4,105,762
1,710,000	1,179,420	2,889,420	495,000	680,945	1,175,945	4,065,365
1,790,000	1,086,950	2,876,950	515,000	659,854	1,174,854	4,051,804
1,875,000	1,001,718	2,876,718	535,000	636,873	1,171,873	4,048,591
1,970,000	910,375	2,880,375	555,000	608,185	1,163,185	4,043,560
2,065,000	812,503	2,877,503	580,000	579,210	1,159,210	4,036,713
1,205,000	732,388	1,937,388	605,000	553,651	1,158,651	3,096,039
1,270,000	671,433	1,941,433	630,000	526,556	1,156,556	3,097,989
1,330,000	606,750	1,936,750	660,000	497,516	1,157,516	18,594,266
1,400,000	538,500	1,938,500	690,000	466,380	1,156,380	3,094,880
1,475,000	466,625	1,941,625	725,000	433,205	1,158,205	3,099,830
1,550,000	391,000	1,941,000	760,000	397,746	1,157,746	3,098,746
1,630,000	311,500	1,941,500	795,000	360,128	1,155,128	3,096,628
1,715,000	227,875	1,942,875	835,000	319,875	1,154,875	3,097,750
1,800,000	140,000	1,940,000	880,000	277,000	1,157,000	3,097,000
1,900,000	47,500	1,947,500	920,000	232,000	1,152,000	3,099,500
0	0	0	970,000	184,750	1,154,750	1,154,750
0	0	0	1,015,000	135,125	1,150,125	1,150,125
0	0	0	1,070,000	83,000	1,153,000	1,153,000
0	0	0	1,125,000	28,125	1,153,125	1,153,125
<u>\$28,130,000</u>	<u>\$17,492,325</u>	<u>\$45,622,325</u>	<u>\$16,490,000</u>	<u>\$12,210,491</u>	<u>\$28,700,491</u>	<u>\$105,051,674</u>

CITY OF COLUMBIA, MISSOURI

DEBT SERVICE REQUIREMENTS TO MATURITY
 SANITARY SEWER UTILITY AND PARKING REVENUE BONDS
 SEPTEMBER 30, 2002

Fiscal Year Ended	SEWER REVENUE BONDS			PARKING REVENUE BONDS		
	Bond Principal Due	Bond Interest Due	Total Requirements	Bond Principal Due	Bond Interest Due	Total Requirements
2003	\$725,000	\$684,289	\$1,409,289	\$90,000	\$167,517	\$257,517
2004	935,000	750,255	1,685,255	95,000	163,052	258,052
2005	975,000	710,934	1,685,934	100,000	158,224	258,224
2006	985,000	675,876	1,660,876	105,000	153,047	258,047
2007	995,000	643,048	1,638,048	110,000	147,509	257,509
2008	1,020,000	607,813	1,627,813	120,000	141,469	261,469
2009	1,045,000	569,365	1,614,365	125,000	134,883	259,883
2010	1,065,000	528,090	1,593,090	130,000	127,836	257,836
2011	1,105,000	484,028	1,589,028	140,000	120,206	260,206
2012	1,125,000	435,941	1,560,941	150,000	111,866	261,866
2013	1,160,000	386,597	1,546,597	155,000	102,982	257,982
2014	1,115,000	337,176	1,452,176	165,000	93,581	258,581
2015	1,145,000	286,946	1,431,946	175,000	83,507	258,507
2016	1,180,000	234,016	1,414,016	0	78,300	78,300
2017	1,210,000	178,993	1,388,993	0	78,300	78,300
2018	1,250,000	123,095	1,373,095	0	78,300	78,300
2019	565,000	79,942	644,942	0	78,300	78,300
2020	585,000	49,847	634,847	0	78,300	78,300
2021	280,000	24,750	304,750	1,305,000	39,150	1,344,150
2022	130,000	10,000	140,000	0	0	0
2023	135,000	3,375	138,375	0	0	0
	<u>\$18,730,000</u>	<u>\$7,804,376</u>	<u>\$26,534,376</u>	<u>\$2,965,000</u>	<u>\$2,136,329</u>	<u>\$5,101,329</u>

CITY OF COLUMBIA, MISSOURI

SCHEDULE OF ELECTRIC SERVICE RATES *
2001 - 2002

RESIDENTIAL SERVICE RATE (per kilowatt hour)		
Customer charge		\$4.50 per month
All KWH		6.17 ¢ per KWH
Electric Heating (October through May) All KWH		5.50 ¢ per KWH
RESIDENTIAL HEAT PUMP RATE (OCTOBER - MAY)		
Customer charge		\$4.50 per month
All KWH		4.89 ¢ per KWH
SMALL GENERAL SERVICE RATE (per kilowatt hour)		
Customer charge (single-phase)		\$4.50 per month
Customer charge (three-phase)		\$6.34 per month
All KWH		6.19 ¢ per KWH
Electric Heating (October through May) KWH in excess of 75% of customer's summer maximum KWH		5.64 ¢ per KWH
SMALL GENERAL SERVICE HEAT PUMP RATE (October through May)		
Customer charge (single-phase)		\$4.50 per month
Customer charge (three-phase)		6.34 ¢ per KWH
KWH in excess of 50% of the customer's summer maximum KWH		4.50 ¢ per KWH
PRIVATE STREET AND OUTDOOR AREA LIGHTING RATE		
100 Watt Mercury Vapor (M.V.)		\$4.22 per month
100 Watt High Pressure Sodium (H.P.S.)		\$4.53 per month
175 Watt M.V.		\$5.23 per month
250 Watt M.V.		\$7.39 per month
250 Watt H.P.S.		\$13.44 per month
310 Watt H.P.S.		\$14.68 per month
400 Watt H.P.S.		\$16.14 per month
400 Watt M.V.		\$10.48 per month
700 Watt M.V.		\$19.84 per month
1,000 Watt M.V.		\$26.55 per month
100 Watt H.P.S. PTL		\$10.14 per month
175 Watt H.P.S. PTL		\$10.08 per month
LARGE GENERAL SERVICE RATE		
	Summer	Nonsummer
Demand charge:		
First 25 KW or less billing demand	\$175.00	\$140.00
Additional KW	\$7.00 per KW	\$5.60
Energy charge:		
First 360 KWH per KW of billing demand	4.00 ¢ per KWH	4.00
All additional KWH	3.20 ¢ per KWH	3.20
INDUSTRIAL SERVICE RATE		
	Summer	Nonsummer
Demand charge:		
First 750 KW or less billing demand	\$10,500.00	\$8,400.00
All additional KW	\$14.00 per KW	\$11.20 per KW
Energy charge (All KWH)	2.66 ¢ per KWH	2.66 ¢ per KWH
SPECIAL OUTDOOR LIGHTING		
Customer Charge		\$29.53 per month
Cost per KWH		8.95 ¢ per KWH
69 KV SERVICE RATE		
Demand charge (All KW of billing demand)		\$8.39 per KW
Energy charge (All KWH)		3.00 ¢ per KWH

* The rates shown in this table are those in effect at October 1, 2001. 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 WATER AND SANITARY SEWER SERVICE RATES
2001 - 2002

WATER RATES

	<u>Inside City Limits</u>	<u>Outside City Limits</u>
Residential*: All CCF	\$ 1.347 per 100 CCF	\$ 1.827 per 100 CCF
Commercial*: All CCF	\$ 1.266 per 100 CCF	\$ 1.684 per 100 CCF
Large Commercial*: All CCF	\$ 1.104 per 100 CCF	\$ 1.468 per 100 CCF
*Summer Surcharged Rate: (June, July, August, and September water use in excess of 120% average for nonsummer use)	\$ 1.924 per 100 CCF	\$ 2.559 per 100 CCF

<u>Meter Size</u>	<u>Minimum Charge Per Month</u>	
	<u>Inside City Limits</u>	<u>Outside City Limits</u>
5/8 inch	\$4.00	\$5.32
1 inch	\$4.26	\$5.67
1 1/2 inch	\$6.30	\$8.38
2 inch	\$8.21	\$10.92
3 inch	\$21.01	\$27.94
4 inch	\$32.47	\$43.19
6 inch	\$64.94	\$86.37

SANITARY SEWER RATES

Residential and Commercial: Service Charge	\$ 3.73 per month
All Volume	\$ 0.886 per 100 cu. ft.

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		
1993	\$ 57	\$ 13,169,896	654	\$ 76,519,037	\$ 1,253,743 (b)	\$ 2,201,845,358
1994	70	28,083,000	807	95,019,253	1,284,996 (b)	2,410,081,958
1995	66	35,516,604	642	72,265,643	1,386,790 (b)	2,541,838,871
1996	66	50,101,346	692	83,003,696	1,092,645 (b)	2,680,063,838
1997	87	35,749,827	643	74,793,276	1,074,011 (b)	2,904,545,971
1998	95	47,518,286	644	49,311,058	1,132,055 (b)	3,448,629,246
1999	93	28,822,469	714	92,116,794	1,145,164 (b)	3,625,640,713
2000	88	32,610,878	657	108,251,195	1,078,276 (b)	3,794,813,029
2001	66	47,443,935	620	88,884,682	1,185,841 (b)	3,952,633,338
2002	49	21,159,267	857	130,973,183	1,282,811 (b)	4,247,016,525

(a) Source: City of Columbia Public Works Department.

(b) Source: Bank Call Reports.

NOTE: In 1996, Commerce Bank is not included with the Bank Deposits because it merged with Commerce Bank, Kansas City. In 2000, Firststar took over Mercantile and regional information was not available.

CITY OF COLUMBIA, MISSOURI

TABLE 22

PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2002

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Minnesota Mining and Manufacturing (3M)	Office Products	\$ 27,795,707	2.73%
Shelter Mutual Insurance Co	Insurance	9,925,608	0.97%
Columbia Mall Limited Partnership	Property/Developer	8,268,325	0.81%
State Farm Mutual Automobile Ins Company	Insurance	8,161,402	0.80%
Columbia Foods	Manufacturer	5,770,966	0.57%
Broadway Crossings II	Property/Developer	5,748,566	0.56%
TKG	Property/Developer	4,856,097	0.48%
Dan Hagan	Property/Developer	3,869,202	0.38%
Rusk Rehabilitation Center	Health Care	3,790,932	0.37%
Rayman Columbia Center Trust	Property/Developer	3,777,439	0.37%
		<u>\$ 81,964,244</u>	<u>8.04%</u>

Note: The assessed value is approximately 32% of the estimated actual value of the property.

CITY OF COLUMBIA, MISSOURI

DEMOGRAPHIC STATISTICS
SEPTEMBER 30, 2002

Date of Organization:	1892				
Date of Incorporation:	1949				
Form of Government:	Council/Manager				
Area:	55.29 Square Miles				
Population:	1993-71,195	1995-75,415	1997-78,675	1999-82,658	2001-86,391
	1994-74,072	1996-76,756	1998-80,642	2000-84,531	2002-88,291
Registered Voters:	59,398				
Number of Households:	54,500				
Median Household Buying Income (family of four)	\$ 36,650				
Median Age of Population	29.9				
Cost of Living (National Average is 100)	96.8				
Retail Sales (x \$1,000)					
Calendar -Year Basis:	<u>1997 *</u>	<u>1998 *</u>	<u>1999 *</u>	<u>2000 *</u>	<u>2001 *</u>
Food	\$ 212,591	\$ 232,973	\$ 175,662	\$ 196,667	\$ 235,391
Restaurants	151,963	161,898	142,719	168,088	194,154
General Merchandise	289,584	313,328	394,318	429,127	418,245
Furniture and Appliances	101,559	114,436	55,066	42,588	53,161
Automobiles	461,125	505,325	478,477	534,463	546,737
Miscellaneous Other	390,086	435,591	411,408	446,471	569,238
Total	\$ <u>1,606,908</u>	\$ <u>1,763,551</u>	\$ <u>1,657,650</u>	\$ <u>1,817,404</u>	\$ <u>2,016,926</u>
Fire Protection		Communications		Public Parking	
Number of stations	8	Newspapers (daily)	2	Parking meters on street	1,441
Number of employees	128	Radio stations	15	Parking lot meters	490
Number of vehicles	31	TV stations	6	Garage attendant parking	883
Number of hydrants	3,900	Cable TV/Satellite	2	Unmetered off-street public parking	1,408
Police Protection		Recreation		Total Public Parking	<u>4,222</u>
Number of stations	1	Athletic clubs	15		
Number of substations	4	Number of pools	13		
Number of employees	169	Golf courses:			
Number of vehicles	82	(municipal)	2		
		(college/university)	1		
		(private)	5		
Education		Parks	40	City Streets	
Elementary and high school enrollment	16,451	(total acres 2,093)		Paved (miles)	335.2
Elementary schools	19			Unimproved (miles)	49
Middle schools	3	Community Facilities		Sewer (miles)	434
Junior high schools	3	Hospitals	6	Airports	1
Senior high schools	3	Beds	1,216	Airlines	1
Vocational School	1	Hotels/Motels	26	Transworld Express	
Secondary learning center	1	Theaters (screens)	24		
Catholic parochial	1	Churches	116		
Columbia College, enrollment	2,100				
Stephens College, enrollment	800	City Employees			
University of Missouri-Columbia, enrollment	23,000	Full-time Equivalent (FTE)	1,129.60		

* Total retail sales and store group sales for 1997-2001 were obtained from the 1997-2001 Survey of Buying Power.

CITY OF COLUMBIA, MISSOURI

TABLE 24

INSURANCE IN FORCE
SEPTEMBER 30, 2002

- I. City of Columbia – Property/Casualty Insurance Program
Policy Period – October 1, 2001 to October 1, 2002
- A. Package Policy – Protected Self-Insurance Program
Commonwealth Insurance Company
Policy #CEC10001 Premium \$216,105
1. Property Coverages
 - a. Limits – \$900,000 Excess \$100,000 SIR
 - b. Coverage: 100% Replacement Costs on All Locations
 - c. Self-insured Retention: \$100,000 Per Occurrence
 - d. Contractor Equipment: Actual Cash Value
 - e. Flood: Excludes Flood Zone A and V
 - f. Earthquake
 - g. Auto Physical Damage – Actual Cash Value
 - h. Data Processing Equipment
 - i. Automatic Builders Risk
 - j. Pollutant Cleanup – \$250,000 Limit
 - k. Business Income
 - l. Extra Expense
 - m. Accounts Receivable
 - n. Valuable Papers
 - o. Fine Arts
 - p. Transit
 2. Liability Coverages
 - a. Limits – \$1,500,000 Excess \$500,000 Self-Insured Retention
 - b. General Liability
 - c. Automobile Bodily Injury, Property Damage, Uninsured Motorists
 - d. Employee Benefits Liability
 - e. Police Professional Liability
 - f. Public Officials Liability including Employment Practices Liability
 - g. TIG Insurance Company
Policy # XLB 39204349
This policy is part of the Commonwealth Package Program
 3. Crime Coverages
 - a. Limits – \$500,000 Excess \$100,000 Self-Insured Retention
 - b. Employee Blanket Dishonesty Bond
 - c. Money and Securities
 - d. Depositors Forgery
 - e. Money Orders and Counterfeit Papers
 4. Excess Workers' Compensation
 - a. Limits – Statutory
 - b. Employers Liability – \$1,000,000 Per Occurrence
 - c. \$500,000 Self-Insured Retention
 - d. Midwest Employers Casualty Company
Policy #2565OMO
This policy is part of TIG Package Program
- B. Excess Property
Federal Insurance Company
Policy Period – October 1, 2001 to December 4, 2001 Premium \$12,854
Policy #661-01-80

CITY OF COLUMBIA, MISSOURI

TABLE 24, Cont.

INSURANCE IN FORCE
SEPTEMBER 30, 2002

- B. Excess Property (continued)
Travelers Insurance Company
Policy Period – December 4, 2001 to October 2, 2002
Policy #KTXK-CMB-123D710-01-01 Premium \$129,626
1. Limits – \$100,000,000 Excess of \$1,000,000 Any One Occurrence
 2. Flood – \$10,000,000 Excess \$1,000,000 Aggregate Excluding Flood Zone A and V
 3. Earthquake – \$10,000,000 Excess \$1,000,000 Aggregate
 4. Licensed Vehicles – \$6,155,006 Excess \$1,000,000 Occurrence
 5. Mobile Equipment – \$3,295,470 Excess \$1,000,000 Occurrence
 6. Builders Risk – \$1,000,000 Excess \$1,000,000 Occurrence
 7. EDP Equipment – \$1,447,924 Excess \$1,000,000 Occurrence
 8. Ordinance Deficiency – \$1,000,000 Excess \$1,000,000 Occurrence
 9. New Property – \$1,000,000 Excess \$1,000,000 Occurrence
 10. Extra Expense – \$500,000 Excess \$1,000,000 Occurrence
 11. Debris Removal – \$250,000 Excess \$1,000,000 Occurrence
- C. Boiler and Machinery Coverages
Hartford Steam Boiler Inspection and Insurance Company
Policy #BM19161097
Term – October 1, 2001 to October 1, 2002 Premium \$153,400
1. Limit – \$25,000,000
 2. Boilers, Turbines, Transformers, and Other Related Pumps and Miscellaneous Machinery;
Deductibles vary from \$10,000 to \$200,000 depending on size and classification of object
- D. Columbia Regional Airport Coverages
National Union Fire Insurance Company
Policy #58052
Term – October 1, 2001 to October 1, 2002 Premium \$12,215
1. Airport Liability: \$10,000,000 Each Occurrence
 2. Products/Completed Operations: \$10,000,000 Aggregate
 3. Personal and Advertising Injury: \$10,000,000 Aggregate
 4. Personal Injury - \$1,000,000 Per Individual and Aggregate
 5. Incidental Medical Malpractice Liability: \$10,000,000 Each Occurrence and Aggregate
 6. Non-Owned Aircraft Liability - \$10,000 Each Occurrence
 7. Hangar Keepers Liability - \$10,000,000 Each Occurrence/\$1,000 Deductible Each Aircraft
- E. City of Columbia Health Clinic
St. Paul Fire & Marine Insurance Company
Policy #FM08000604
Term – October 1, 2001 to October 1, 2002 Premium \$17,677
1. Coverage: Medical Professional Liability
Each Person: \$1,000,000
Total Limit: \$2,000,000
- F. Chamber of Commerce
Property Insurance
Federal Insurance Company
Policy #3533-30-61
Term – October 1, 2001 to October 1, 2002 Premium \$2,459
1. Limits – \$916,644 Building
 2. \$2,500 Deductible
 3. All Risk
 4. 80% Coinsurance
- G. Columbia Terminal Railroad
Inland Marine
Rolling Stock
Fireman's Fund Insurance Company
Policy #MX197902150
Term – October 1, 2001 to October 1, 2002 Premium \$1,531
1. Limit – \$236,000 Per Occurrence
 2. \$500 Deductible

CITY OF COLUMBIA, MISSOURI

SCHEDULE OF MARKETABLE SECURITIES AND INVESTMENTS
SEPTEMBER 30, 2002

Identification Number and Issuing Institution	Purchase Date	Face Amount, or Shares	Maturity Date	Coupon Interest Rate	Cost	Fair Value 09/30/02
POOLED CASH:						
U. S. Government and Agency Securities:						
FNMA 333648BD5	11/15/01	\$ 1,000,000	10/03/02	0.000%	\$ 967,500	\$ 1,001,270
FHLB CALLABLE - 3133M4R88	07/07/98	3,000,000	07/07/04	6.000%	2,997,187	3,204,840
FNMA 1991 - 138 L CMO 31358JXPI	04/27/98	2,560,000	10/25/06	8.000%	513,579	466,864
FHLB - ONE TIME CALL 3133MGB62	07/30/01	950,000	01/30/07	5.750%	953,240	1,009,527
FNMA PL 155503 - 31366QU45	09/17/96	4,875,005	04/01/07	7.500%	198,871	204,828
FNMA 15 SF 159058 - 31366UTP	06/19/92	478,000	04/01/07	7.000%	31,940	34,737
FNMA 31364KND8	05/04/00	1,000,000	05/04/07	7.500%	1,000,000	1,087,030
FHLB - CALLABLE 3133MFP44	07/03/01	1,000,000	07/03/07	5.775%	1,000,000	1,028,290
FNMA MTN - 31364C2R8	03/13/00	1,000,000	07/16/07	6.600%	955,000	1,071,400
FHLMC E00159CP 31294JE87	09/30/92	400,000	09/01/07	6.500%	45,271	47,894
FNMA 050743 - 313615LY0	04/20/93	500,000	04/01/08	6.000%	105,422	112,404
FNMA NOTES 3136FOFHO	04/25/01	2,000,000	04/25/08	6.000%	1,992,500	2,005,620
FNMA PL 380498	11/14/01	500,000	07/01/08	6.260%	527,500	500,000
FHLMC E000245-31294JHW1	various	3,500,000	08/01/08	5.500%	829,648	874,862
FHLMC E00247CP-31294JHY7	various	4,940,000	10/01/08	5.500%	1,180,985	1,252,490
FHLMC E52721CP - 31357UAW7	11/18/93	1,000,000	11/01/08	6.000%	131,999	139,135
FHLMC E52736CP 31357UBD8	11/18/93	1,023,338	11/01/08	6.000%	222,301	234,522
FNMA 254137	01/14/02	916,740	12/01/08	6.000%	762,234	769,144
FHLMC SER 2390 CL JH	01/14/02	1,000,000	12/15/08	5.250%	770,500	799,040
FHLMC M80718 GOLD	01/30/02	1,590,682	01/01/09	5.000%	1,497,831	1,539,594
FHR 2412 EC	03/18/02	1,500,000	02/15/09	5.500%	1,490,625	1,607,805
FNMA 254273	02/25/02	1,000,000	03/01/09	5.000%	961,181	982,817
FHLM REMIC 1704 3133T4QB5	04/20/01	2,000,000	03/15/09	6.500%	3,183,339	3,845,183
FNMA 381724	02/20/02	825,000	06/01/09	6.250%	832,279	796,921
FHLM PL M80765	09/25/02	1,000,000	08/01/09	5.000%	1,018,324	1,018,299
FHLB CALLABLE - 3133MBKCO	07/14/00	800,000	05/25/10	8.025%	820,960	905,256
FNMA 73652 31362WZRO	03/07/01	1,150,000	10/01/11	7.440%	1,145,771	1,086,178
FHLMC REMIC 2320 3133TT5R8	05/30/01	800,000	12/15/11	6.000%	339,506	356,664
FHLMC - 3134AI MJ6	03/17/97	3,000,000	02/06/12	7.270%	2,990,232	3,429,870
FNMA CALL 31359MMF7	02/21/02	1,000,000	02/28/12	5.625%	975,313	1,048,750
FHLMC PL M30146-31282CET0	03/19/98	4,999,357	06/01/12	7.000%	576,782	502,451
HUD CALLABLE - 911759BN7	09/12/96	1,400,000	08/01/12	7.510%	1,376,715	1,552,474
FHR 2435 ND	04/30/02	2,000,000	12/15/12	6.000%	2,003,969	2,025,906
FHR 2055 OE	02/20/02	1,000,000	05/15/13	6.500%	1,034,688	1,118,750
FNMA PL 431577-31379WM20	07/20/98	2,000,000	07/01/13	5.000%	919,567	1,008,942
FHLB CALLABLE - 3133M5T83	11/04/98	2,000,000	09/30/13	5.830%	2,014,260	2,143,440
FNMA 449353-31380TE23	11/17/98	3,000,000	10/01/13	5.500%	1,382,002	1,409,080
FHLMC CMO SERIES 3133TU3F3	06/29/01	1,050,000	12/15/13	6.350%	596,824	622,374
FHLMC 00E00669	02/19/02	2,000,000	05/01/14	6.000%	1,264,353	1,281,393
FHLMC CALLABLE - 3134A3TU0	06/11/99	1,000,000	06/11/14	6.820%	985,000	1,027,040
FHLMC 31339GD32	10/30/01	1,000,000	12/15/14	6.000%	1,034,688	1,063,750
FHLMC CMO SERIES 3133TNEF7	07/23/01	1,000,000	01/15/15	7.500%	1,035,000	1,102,500
FHLB-CALLABLE 3133MATN9	10/26/00	1,000,000	02/25/15	8.000%	1,021,000	1,024,060
FHR 2340 VL	04/26/02	1,000,000	07/15/16	6.500%	971,948	1,023,482
FHLMC PL291302 31344XNTO	various	58,282,764	04/01/17	7.000%	1,889,284	1,922,375
FHLMC C90263-31335HJG9	05/17/99	1,000,000	04/01/19	7.000%	467,602	467,635
FNMA LP 577376	11/26/01	953,329	08/01/19	7.500%	425,350	412,982
FNMA 253945	04/29/02	1,200,000	08/01/21	6.500%	1,012,868	1,031,489
FHR1116 I 312906C40	11/30/98	505,000	08/15/21	5.500%	163,480	176,775
FHR 1125 X 312906XG0	various	950,000	08/15/21	8.250%	492,245	492,700
FHR1163JA-3129072D9	11/29/99	500,000	11/15/21	7.000%	194,246	210,734
FHLMC REMIC 15843133TIBWI	07/19/01	1,870,000	11/15/21	3.500%	1,660,438	1,780,955
FNR 1993-104 ZA	02/19/02	1,000,000	11/25/21	6.500%	1,804,910	1,901,629
FNR 91-162 GA 31358KF37	02/20/01	493,000	12/25/21	8.250%	182,777	183,762
FNMA 2002-16 QK	03/28/02	1,000,000	03/25/22	5.500%	1,015,000	1,046,780
FHR 1280B	04/15/02	78,574,999	04/15/22	6.000%	2,842,315	2,874,462
FHR 2095 PM - 3133TGWH8	04/27/99	1,379,000	10/15/22	6.000%	1,372,105	1,459,147
FNR G93-34 PJ 31359EZS3	01/29/01	1,010,000	12/25/22	6.600%	1,003,056	1,057,026
FHR 2137 TL	04/25/02	2,250,000	03/15/23	6.500%	2,329,453	2,335,770
FNR 94-23H 31359GZK5	03/28/01	1,055,000	02/25/24	6.000%	712,596	770,017
FHLMC PL H2054T - 3133TE5E0	12/13/99	522,000	04/15/24	6.250%	490,680	541,899
FNMA 2001-5 CL OH	01/11/02	1,000,000	05/25/24	6.500%	1,027,813	1,056,870
FHR 2197 PE - 3133TMKA3	11/24/99	1,000,000	06/15/24	6.750%	988,594	1,019,060
FHLMC REMIC 2084A-3133TG3W7	11/03/98	3,000,000	03/15/25	6.500%	703,791	682,083

CITY OF COLUMBIA, MISSOURI

SCHEDULE OF MARKETABLE SECURITIES AND INVESTMENTS
SEPTEMBER 30, 2002

Identification Number and Issuing Institution	Purchase Date	Face Amount, or Shares	Maturity Date	Coupon Interest Rate	Cost	Fair Value 09/30/02
FHR 2034 PG	02/11/02	\$ 1,500,000	04/15/25	6.250%	\$ 1,535,391	\$ 1,573,125
FHR 2046 E	03/14/02	1,500,000	01/15/26	6.500%	1,530,000	1,647,645
FHLMC REMIC 2310 3133TSHLO	07/11/01	1,000,000	02/15/26	6.000%	985,000	1,034,060
FHLMC REMIC 2082A 3133TG5V7	06/21/01	1,400,000	04/15/26	6.500%	564,418	585,523
FHLMC CMO 3133TPY52	08/27/01	1,000,000	05/15/26	7.000%	1,034,219	1,038,750
FHR 1883 L	05/10/02	2,000,000	09/15/26	7.000%	2,073,750	2,178,740
FNMA 1998 SER 31359US97	07/26/01	1,000,000	12/25/26	6.000%	991,250	1,062,810
FHR 2354 BC 3133TVAP1	09/28/01	2,000,000	02/15/27	7.000%	2,008,750	2,036,540
GNMA 98-18PR	07/23/02	1,000,000	03/20/27	6.500%	1,038,281	1,104,680
GNMA 2001-10PN	01/22/02	1,425,000	10/16/27	5.500%	1,117,337	1,129,291
FNMA REMIC 45-H 313920N22	08/30/01	1,000,000	01/25/28	6.500%	639,728	664,798
FHR 2131 YD 3133TK5L0	02/07/01	2,000,000	02/15/28	6.000%	673,497	739,725
FHLMC REMIC3133TPMD8	01/26/01	1,000,000	02/15/28	7.000%	113,036	98,002
GNMA REMIC 383739Z77	06/05/01	1,000,000	06/20/28	6.250%	1,006,563	1,035,000
FNR1998-44 GB - 31359UMS1	04/30/99	1,100,000	08/18/28	6.500%	50,686	57,280
GNMA POOL 002633M-36202C4S9	08/24/98	1,000,000	08/20/28	8.000%	165,809	143,070
FHLMC PL 2313BG	11/29/01	1,000,000	01/15/29	6.000%	797,618	855,994
FNR 98-71M 31359U6C4	03/28/01	2,000,000	01/25/29	6.250%	137,093	155,341
FHR 2292 AB	03/19/02	2,000,000	04/15/29	6.500%	1,313,881	1,388,807
FNMA 9913C8-31359VWY5	01/19/00	1,250,000	04/25/29	6.300%	21,403	116,769
FHLMC 2335 CY	06/10/02	1,000,000	08/15/29	6.500%	1,023,437	1,051,870
FNMA PL 9949YM - 31359W6N6	11/29/99	1,100,000	09/25/29	6.500%	196,945	230,807
FNMA PL 9945 GN - 31359WK26	11/16/99	1,100,000	09/25/29	6.500%	399,797	454,223
FHR 2366YP	10/30/01	1,000,000	11/15/29	6.000%	907,135	936,634
FHR 2383 PK	09/25/02	1,728,608	01/15/30	5.500%	1,803,154	1,839,879
FHR 2325 ML 3133TUD47	various	3,000,000	09/15/30	7.000%	2,366,099	2,473,234
FHLMC SER 2325 3133TUBU1	07/19/01	1,000,000	11/15/30	6.500%	69,477	75,515
FHR2279CA 3133TQUC9	01/30/01	1,700,000	01/15/31	6.500%	697,503	728,890
FNR 2001-3B 31359SFM7	04/20/01	1,074,000	03/25/31	6.500%	664,662	701,702
FHR 2306G 3133TSJ61	various	2,500,000	04/15/31	6.500%	55,050	49,963
FHR2314CG 3133TTPB1	05/30/01	1,000,000	05/15/31	6.500%	248,666	255,581
FHR 2404 DA	01/30/02	1,000,000	06/15/31	6.500%	964,086	980,206
FHR 2409 CP	01/30/02	1,300,000	06/15/31	6.500%	1,253,708	1,238,271
FHLMC REMIC 2334	07/30/01	1,000,000	07/15/31	7.000%	1,013,125	1,042,810
FHR 2412 NL	02/28/02	1,000,000	07/15/31	6.500%	978,137	999,071
FHR 2410 YB	02/28/02	1,000,000	08/15/31	6.500%	977,122	1,014,060
FHR 12441 WA	05/08/02	1,000,000	09/15/31	6.500%	794,710	798,625
FNR 01-64 AK	10/30/01	1,000,000	10/25/31	6.000%	934,036	995,169
FNR 2001-62 A	various	2,000,000	11/25/31	6.500%	1,655,903	1,712,918
FNR 2001-62 BE	10/31/01	1,000,000	11/25/31	6.000%	954,848	953,269
GNR 2001-64 AD	12/28/01	1,000,000	12/20/31	6.500%	972,435	989,180
FNR 2001-74 CT	11/30/31	1,000,000	12/25/31	6.000%	813,901	862,577
FHR 2403 QL	02/11/02	1,000,000	01/15/32	6.500%	807,225	818,322
FHR 2423 YA	03/28/02	1,000,000	03/15/32	6.500%	982,016	1,007,758
FNR 02-16 AE	03/28/02	1,300,000	04/28/32	6.000%	1,264,799	1,310,226
FHR 2448 CB	05/30/02	1,000,000	05/15/32	6.500%	1,002,755	1,022,973
FHR 2497 KB	09/30/02	1,700,000	05/15/32	6.000%	1,734,531	1,734,510
FHR 2474 CX	07/30/02	1,000,000	07/15/32	6.500%	1,001,501	1,005,053
Liq Inst Reserve Money Market Fund	various	21,375,863	—	—	21,375,863	21,375,863
Total U. S. Government and Agency Securities					<u>133,146,773</u>	<u>138,096,135</u>
Repurchase Agreements:						
Boone County National Bank		1,979,000	10/01/02	0.000%	<u>1,979,000</u>	<u>1,979,000</u>
Total Pooled Cash Marketable Securities					<u>\$ 135,125,773</u>	<u>\$ 140,075,135</u>

CITY OF COLUMBIA, MISSOURI

SCHEDULE OF MARKETABLE SECURITIES AND INVESTMENTS
SEPTEMBER 30, 2002

Identification Number and Issuing Institution	Purchase Date	Face Amount, or Shares	Maturity Date	Coupon Interest Rate	Cost	Fair Value 09/30/02
SELF-INSURANCE RESERVE:						
Bonds:						
U.S. Treasury Strip 912833GD6	09/05/02	\$ 700,000	07/31/04	2.250%	\$ 704,123	\$ 707,441
Total Bonds					<u>704,123</u>	<u>707,441</u>
Mutual Funds:						
UMB Scout Tax Free Fund	various	9,351,186	—	—	9,351,186	9,351,186
Total Mutual Funds					<u>9,351,186</u>	<u>9,351,186</u>
Total Self-Insurance Reserve					<u>\$ 10,055,309</u>	<u>\$ 10,058,627</u>
POLICE AND FIREFIGHTERS' RETIREMENT FUND:						
Corporate Bonds:						
San Antonio Tex Riv Bond – 796337MU4	06/24/93	\$ 250,000	07/01/03	6.600%	\$ 248,816	\$ 258,692
Ford Motor Credit Co – 345397GV9	05/26/93	250,000	05/15/05	6.750%	247,273	247,075
Intl Lease Fin Corp NTS	11/05/01	1,000,000	10/15/06	5.750%	1,013,680	1,047,780
Countrywide Fdg Corp 22237LEG3	12/17/01	235,000	10/03/06	7.200%	247,589	261,755
Union Electric – 906548BN1	08/17/93	250,000	05/01/08	6.750%	256,240	285,208
Missouri St Dev Fin Brd-60636EAN5	11/29/94	250,000	06/01/09	8.650%	245,520	261,640
Pennzoil Company-709903BB3	11/21/89	400,000	11/15/09	10.125%	398,350	516,704
McDonnell Doug Corp – 580169AM2	02/07/01	150,000	04/01/12	9.750%	188,250	195,231
New Brunswick Province – 642866DV6	12/07/93	250,000	08/15/13	6.750%	244,537	301,332
CWHL 1998-14 A6	09/13/02	600,000	09/25/13	6.500%	615,000	659,808
Petro Canada LTD – 716442AC2	02/14/01	250,000	06/30/18	9.700%	315,000	364,453
Associates Corp N.A. – 046003JU4	05/11/99	1,000,000	11/01/18	6.950%	1,006,570	1,106,820
General Mills Inc. – 37033LFH4	06/18/99	220,000	04/30/19	6.270%	201,990	218,746
Countrywide Home Ln – 22237LHGO	05/20/99	500,000	05/20/19	7.000%	497,500	504,950
Coca-Cola Enterprises – 191219AV6	08/01/01	2,000,000	06/20/20	0.000%	535,520	718,440
Cidr-Recco Receipt Series – 13100KAD9	02/20/01	5,000,000	01/15/21	0.000%	1,053,375	1,197,350
GTE Corp. – 362320AU7	02/20/01	625,000	05/01/23	7.830%	628,125	645,462
Anheuser-Busch – 035229AX1	11/08/00	500,000	07/01/23	7.375%	471,000	523,400
Pacific Gas & Elec – 694308EY9	05/24/99	400,000	10/01/23	6.750%	391,200	372,000
May Dept. Stores – 577778BA0	03/27/01	600,000	07/15/26	8.300%	630,000	676,854
Chase Manhattan Corp. – 16161NAA8	07/05/01	8,000,000	03/24/27	0.000%	1,030,320	1,169,200
NMFC 1998-3 A6	10/15/01	1,620,000	10/25/27	6.500%	1,609,369	1,748,077
MBIA Inc. – 55262CAF7	02/08/00	500,000	10/01/28	6.625%	440,220	529,940
Total Corporate Bonds					<u>12,515,444</u>	<u>13,810,917</u>
Common Stock and Mutual Funds:						
Evergreen Aggressive Growth	various	6,131	N/A	—	128,124	71,435
Fidelity Contra Fund	various	109,574	N/A	—	4,924,408	4,185,754
Fidelity Blue Chip Growth Fund	various	65,912	N/A	—	2,220,891	1,978,448
Fidelity Value Fund	various	14,611	N/A	—	702,757	623,621
American Century Ultra Fund	various	110,488	N/A	—	3,016,833	2,268,320
American Century Value Fund	various	489,821	N/A	—	2,957,965	2,751,621
American Century Int'l Growth	various	171,579	N/A	—	1,541,692	1,063,793
AIM Constellation Fund	various	60,819	N/A	—	1,495,069	960,346
AIM Global Aggressive Growth	various	94,795	N/A	—	1,619,271	1,018,108
Duff & Phelps Utilits Stk – 26432410	various	31,208	N/A	—	342,660	311,144
Standard & Poors Dep Recpts-78462F1	various	37,300	N/A	—	1,739,968	3,050,767
Legg Mason Value Trust	various	82,934	N/A	—	3,343,011	2,969,053
Vanguard Strategic Equity	various	135,190	N/A	—	1,857,864	1,699,350
Total Common Stock and Mutual Funds					<u>25,890,513</u>	<u>22,951,760</u>
U. S. Government and Agency Securities:						
Treasury Bond 253C-254D	06/09/83	2,000,000	11/15/06	—	895,669	1,584,200
AID-Republic of Panama – 698990AC2	08/29/83	202,083	08/01/11	—	192,500	192,500
Student Loan Mkt Assoc 863871AL3	08/29/91	1,000,000	05/15/14	—	221,898	432,800
Total U. S. Government and Agency Securities					<u>1,310,067</u>	<u>2,209,500</u>
Miscellaneous Securities:						
LIR Money Fund	various	7,792,926	—	—	7,792,926	7,792,926
Total Miscellaneous Securities					<u>7,792,926</u>	<u>7,792,926</u>

CITY OF COLUMBIA, MISSOURI

TABLE 25, Cont.

SCHEDULE OF MARKETABLE SECURITIES AND INVESTMENTS
SEPTEMBER 30, 2002

Identification Number and Issuing Institution	Purchase Date	Face Amount, or Shares	Maturity Date	Coupon Interest Rate	Cost	Fair Value 09/30/02
Asset-Backed Securities						
FHLMC 50-2095 - 31345RKG3	10/20/89	\$ 200,000	10/01/04	9.500%	\$ 5,086	\$ 5,272
FHLMC 312924RL9	06/27/02	1,000,000	11/06/06	4.650%	1,002,813	1,023,790
FHLMC REMIC 1364N CMO	various	3,775,000	09/15/07	6.500%	82,131	176,640
GNMA 15 SF 337867X	02/18/93	860,000	10/15/07	6.500%	68,264	70,633
FHLMC E42095CP	04/20/93	598,514	11/01/07	6.000%	118,280	126,160
SBA Series 87-20H Cert - 83162CATO	11/25/87	11,460	11/01/07	10.050%	29,430	29,430
FHLMC REM F1423F - 312913UY0	06/25/93	500,000	12/15/07	7.000%	505,565	561,560
FNMA 15 SF 205505 CP	03/17/93	255,000	03/01/08	6.000%	28,983	30,894
FNMA 15 SF 050743 CP	various	855,000	04/01/08	6.000%	180,584	192,211
FNMA 27-1060-31372FB59	04/21/94	1,018,072	01/01/09	5.000%	337,428	377,998
FNMA - 31372FCU3	03/30/98	512,411	04/01/09	5.000%	193,649	217,114
FNMA 73562	08/14/02	1,085,000	07/01/11	7.800%	1,144,432	1,149,078
FNMA 93140J - 31359BH34	12/03/93	500,000	06/25/13	6.650%	498,050	566,715
FHLMC 26-0794-3134113B4	08/24/87	500,000	10/01/16	8.000%	4,901	6,017
FHLB-3133M7CE4	02/09/01	4,000,000	01/28/19	0.000%	1,120,000	1,323,720
FHLMC 312924M67	01/16/02	2,000,000	01/16/25	0.000%	329,228	354,820
Total Asset-Backed Securities					5,648,824	6,212,052
Total Police and Firefighters' Investments					\$ 53,157,774	\$ 52,977,155
WATER AND ELECTRIC UTILITY:						
Bonds						
FICO Strip	11/26/96	\$ 1,129,000	02/03/15	0.000%	\$ 326,484	\$ 595,310
Miscellaneous Securities						
Orange County CA Pension	12/02/96	13,500,000	09/01/15	0.000%	3,617,055	6,550,065
San Bernardino City CA	11/04/96	500,000	08/01/15	0.000%	126,255	244,065
Total Miscellaneous Securities					3,743,310	6,794,130
U. S. Government and Agency Securities:						
RMA Money Fund	various	6	—	—	6	6
Treasury Interest Note	07/16/93	371,000	11/15/15	0.000%	78,452	201,405
Total U. S. Government and Agency Securities					78,458	201,411
Total Water and Electric Utility					\$ 4,148,252	\$ 7,590,851
Total Restricted/Unrestricted Marketable Securities and Investments					\$ 202,487,108	\$ 210,701,768

CITY OF COLUMBIA, MISSOURI

SALARIES OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2002

<u>Official Title</u>	<u>Salary Range</u>
City Manager	\$ 88,125 – 120,297
Public Works Director	72,505 – 98,966
Water and Light Director	72,505 – 98,966
City Counselor	69,052 – 94,253
Finance Director	69,052 – 94,253
Assistant City Manager	62,625 – 85,494
Police Chief	62,625 – 85,494
Director of Health Services	59,644 – 81,417
Fire Chief	59,644 – 81,417
Parks and Recreation Director	59,644 – 81,417
Information Services Director	56,811 – 77,540
Economic Development Director	56,811 – 77,540
Planning Director	56,811 – 77,540
Human Resources Director	56,811 – 77,540
Convention/Visitor's Bureau Director	51,530 – 70,331
Manager of Cultural Affairs	38,451 – 52,483
Manager of Community Services	38,451 – 52,483
City Clerk	34,877 – 47,603
Municipal Judge (90% FTE)	56,363 – 76,945

CITY OF COLUMBIA, MISSOURI

TABLE 27

LARGEST ELECTRIC UTILITY CUSTOMERS
SEPTEMBER 30, 2002

<u>Customer</u>	<u>Billed kWh</u>	<u>Billed Revenue</u>
Minnesota Mining and Manufacturing (3M)	39,767,535	\$ 1,793,183
Columbia Foods	30,447,377	1,331,125
Boone Hospital Center	20,166,364	969,474
Extrusion Technologies, Inc.	17,154,578	766,503
VA Hospital	15,290,453	789,335
Quaker Oats	13,674,611	689,575
Davidson Textron	12,729,096	673,778
Columbia Mall	12,653,693	706,434
Midwest Columbia Regional Hospital	9,436,800	466,335
Square D	8,866,852	421,350
	<u>180,187,359</u>	<u>\$ 8,607,092</u>

CITY OF COLUMBIA, MISSOURI
LARGEST WATER UTILITY CUSTOMERS
SEPTEMBER 30, 2002

<u>Customer</u>	<u>Billed CCF</u>	<u>Billed Revenue</u>
Columbia Foods	388,091	\$ 429,490
Minnesota Mining and Manufacturing (3M)	183,721	204,816
VA Hospital	102,430	114,051
Extrusion Technologies, Inc.	41,575	43,692
Boone Hospital Center	38,484	45,355
State Farm Insurance	28,481	48,343
Midwest Columbia Regional Hospital	25,584	32,770
Executive Center	24,760	33,399
Shelter Insurance	18,097	17,644
Lenoir Memorial Home	17,792	20,725
	<u>869,015</u>	<u>\$ 990,285</u>