

CITY OF COLUMBUS, MINNESOTA

ANNUAL FINANCIAL REPORT

December 31, 2015

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CITY OF COLUMBUS, MINNESOTA
TABLE OF CONTENTS

	<u>Reference</u>	<u>Page #</u>
I. INTRODUCTORY SECTION		
Elected and Appointed Officials		3
II. FINANCIAL SECTION		
Independent Auditor's Report		7
Management's Discussion and Analysis		11
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	Statement 1	21
Statement of Activities	Statement 2	22
Fund Financial Statements:		
Balance Sheet - Governmental Funds	Statement 3	24
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	Statement 4	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds	Statement 5	28
Statement of Net Position - Proprietary Funds	Statement 6	29
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	Statement 7	30
Statement of Cash Flows - Proprietary Funds	Statement 8	31
Statement of Fiduciary Net Position - Fiduciary Funds	Statement 9	32
Notes to Financial Statements		33
Required Supplementary Information:		
Budgetary Comparison Schedule - General Fund	Statement 10	60
Budgetary Comparison Schedule - Public Works Special Revenue Fund	Statement 11	63
Budgetary Comparison Schedule - Blacktop Maintenance Special Revenue Fund	Statement 12	64
Budgetary Comparison Schedule - Public Safety Special Revenue Fund	Statement 13	65
Schedule of Proportionate Share of Net Pension Liability - General Employees Retirement Fund	Statement 14	66
Schedule of Pension Contributions - General Employees Retirement Fund	Statement 15	67
Notes to RSI		68
Combining and Individual Fund Financial Statements and Schedules:		
General Fund:		
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	Statement 16	70

CITY OF COLUMBUS, MINNESOTA
TABLE OF CONTENTS

	<u>Reference</u>	<u>Page #</u>
Combining Balance Sheet - Nonmajor Governmental Funds	Statement 17	71
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	Statement 18	73
Subcombining Balance Sheet - Nonmajor Special Revenue Funds	Statement 19	74
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Special Revenue Funds	Statement 20	76
Subcombining Balance Sheet - Nonmajor Debt Service Funds	Statement 21	78
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Debt Service Funds	Statement 22	80
Subcombining Balance Sheet - Nonmajor Capital Project Funds	Statement 23	82
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Capital Project Funds	Statement 24	84
Special Revenue Funds:		
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:		
Transportation Studies	Statement 25	86
Parks and Recreation Fund	Statement 26	87
Economic Development Authority	Statement 27	88
EDA HRA Levy	Statement 28	89
Sunrise River WMO Fund	Statement 29	90
Statement of Changes in Assets and Liabilities - Fiduciary Funds	Statement 30	91

I. INTRODUCTORY SECTION

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ELECTED OFFICIALS

	<u>Term Expires</u>
Mayor: Dave Povolny	December 31, 2016
Councilmembers: Bill Krebs	December 31, 2018
Denny Peterson	December 31, 2016
Jeff Duraine	December 31, 2016
Mark Daly	December 31, 2018

APPOINTED OFFICIALS

City Administrator	Elizabeth Mursko
Deputy Treasurer	Lynette Olinger
Building Official	Leon Ohman
Engineer	TKDA
Attorney	Larkin, Hoffman, Daly & Lindgren

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II. FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Columbus, Minnesota

Report on the Financial Statements

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 Columbus, Minnesota, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City of Columbus, Minnesota's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Columbus, Minnesota, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Notes 7 and 16 to the financial statements, the City of Columbus, Minnesota adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* for the year ended December 31, 2015. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the City of Columbus, Minnesota's 2014 financial statements, and we expressed an unmodified audit opinion on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated June 12, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, the schedule of pension contributions, the schedule of proportionate share of net pension liability and the notes to RSI, on pages 11–18 and 60-68, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide

any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Columbus, Minnesota's basic financial statements. The introductory section and combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2016, on our consideration of the City of Columbus, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Columbus, Minnesota's internal control over financial reporting and compliance.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

June 1, 2016

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Columbus, Minnesota (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2015.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$16,983,362 (net position). The components of net position are as follows:

Net investment in capital assets	\$12,596,290
Restricted for debt service	1,392,316
Unrestricted	2,994,756

- Net position of the government-wide financial statements was negatively impacted in the current year by \$406,448 due to the required implementation of a new accounting standard. This is more fully described on page 14
- At the end of the current fiscal year the governmental fund balance was \$8,021,218, a decrease of \$609,625. The decrease is primarily due to blacktop road maintenance performed in 2015.
- The City had total long-term debt outstanding of \$12,172,073 at the end of the current fiscal year.

Overview of the Financial Statements

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

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

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

Management's Discussion and Analysis

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (example uncollected taxes and earned but unused vacation leave).

The government-wide financial statements are statements 1 and 2 of this report.

Fund Financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains ten individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, Public Works Special Revenue Fund, Blacktop Maintenance Special Revenue Fund, Public Safety Special Revenue Fund, Bonds of 2012A- Refunding Portion Debt Service Fund, Bonds of 2007B, the EDA Quad 35 Project Fund, the EDA Quad Bond/Reserve Fund, the G.O. Tax Abatement Bond Fund, and the EDA Land Refunding Escrow Fund, which are considered to be major funds.

The City adopts an annual appropriated budget for its General Fund and some Special Revenue Funds.

Management's Discussion and Analysis

Budgetary comparison statements have been provided for these funds to demonstrate compliance with budget.

The basic governmental fund financial statements are statements 3 through 5 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements immediately follow statement 9 of this report.

Other information. Combining and individual fund statements and schedules are presented as statements 16 through 29 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$16,983,362 at the close of the most recent fiscal year.

A portion of the City's net position (\$12,596,290) reflects its net investment in capital assets (e.g. land) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF COLUMBUS, MINNESOTA'S NET POSITION

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$14,689,110	\$15,832,728	(\$571,647)	(\$634,935)	\$14,117,463	\$15,197,793
Capital assets	7,293,291	7,458,762	8,461,215	8,658,955	15,754,506	16,117,717
Total assets	<u>\$21,982,401</u>	<u>\$23,291,490</u>	<u>\$7,889,568</u>	<u>\$8,024,020</u>	<u>\$29,871,969</u>	<u>\$31,315,510</u>
Total deferred outflows of resources	\$52,445	\$ -	\$ -	\$ -	\$52,445	\$ -
Long-term liabilities outstanding	\$11,637,319	\$7,798,296	\$ -	\$ -	\$11,637,319	\$7,798,296
Other liabilities	1,215,728	5,706,690	2,253	2,207	1,217,981	5,708,897
Total liabilities	<u>\$12,853,047</u>	<u>\$13,504,986</u>	<u>\$2,253</u>	<u>\$2,207</u>	<u>\$12,855,300</u>	<u>\$13,507,193</u>
Total deferred inflows of resources	\$85,752	\$ -	\$ -	\$ -	\$85,752	\$ -
Net position:						
Net investment in capital assets	\$4,135,075	\$4,016,763	\$8,461,215	\$8,658,955	\$12,596,290	\$12,675,718
Restricted for debt service	1,392,316	1,141,787	-	-	1,392,316	1,141,787
Unrestricted	<u>3,568,656</u>	<u>4,627,954</u>	<u>(573,900)</u>	<u>(637,142)</u>	<u>2,994,756</u>	<u>3,990,812</u>
Total net position	<u>\$9,096,047</u>	<u>\$9,786,504</u>	<u>\$7,887,315</u>	<u>\$8,021,813</u>	<u>\$16,983,362</u>	<u>\$17,808,317</u>

Management's Discussion and Analysis

The City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* for the year ended December 31, 2015. Essentially, the standard required the unfunded portion of defined benefit pension plans to be reported by all participating employers. Recording the net pension liability and the pension related deferred outflows and inflows of resources do not change the City's future funding requirements or obligations under the plans, which are determined by Minnesota statutes.

Net position was negatively impacted by \$406,448 at December 31, 2015 due to the implementation of this standard. Pension-related amounts included in the above schedule related to the standard are as follows:

Deferred outflows of resources	\$52,445
Deferred inflows of resources	(85,752)
Noncurrent liabilities	<u>(373,141)</u>
Total	<u><u>(\$406,448)</u></u>

Management's Discussion and Analysis

Governmental Activities

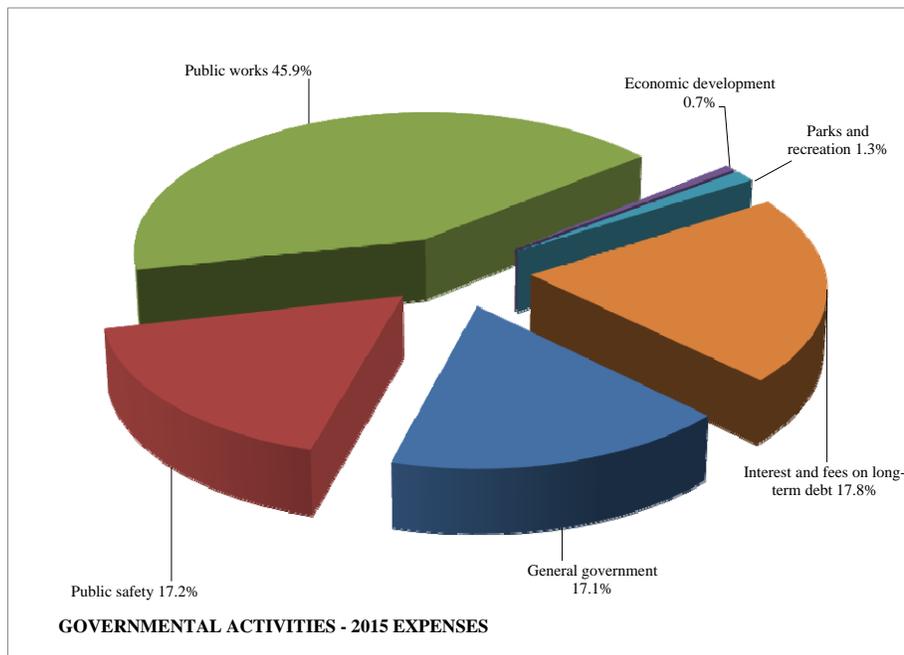
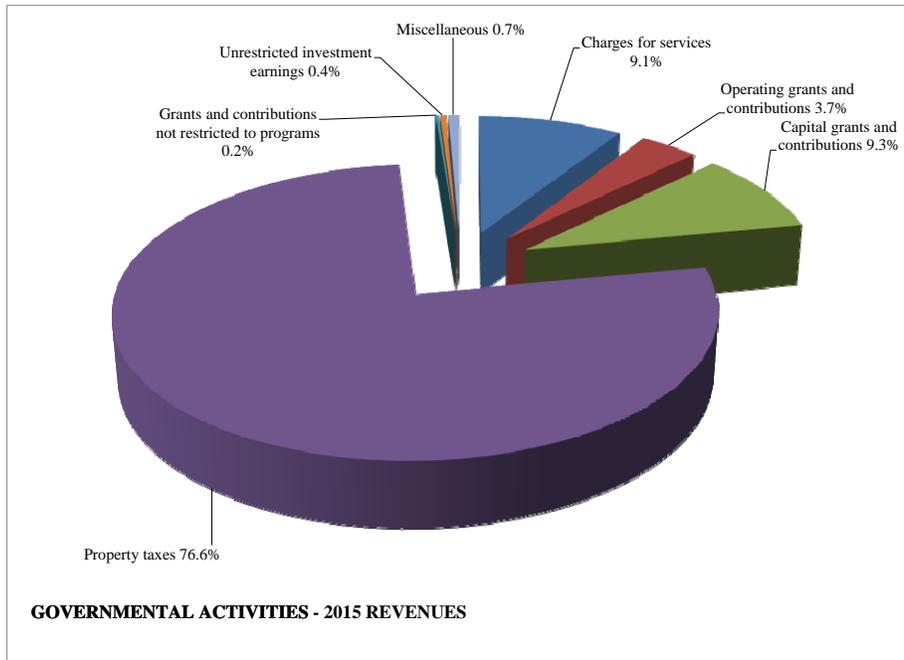
Governmental activities resulted in a decrease of the City's net position by \$279,405. The details of the decrease are as follows:

City of Columbus, Minnesota's Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Program revenues:						
Charges for services	\$297,041	\$235,701	\$137,532	\$88,476	\$434,573	\$324,177
Operating grants and contributions	119,757	115,045	-	-	119,757	115,045
Capital grants and contributions	301,365	766,490	-	215,424	301,365	981,914
General revenues:						
Property taxes	2,495,759	2,279,389	-	-	2,495,759	2,279,389
Grants and contributions not restricted to programs	6,903	5,412	-	-	6,903	5,412
Unrestricted investment earnings	13,816	14,339	232	230	14,048	14,569
Miscellaneous	24,256	25,612	-	-	24,256	25,612
Total revenues	<u>3,258,897</u>	<u>3,441,988</u>	<u>137,764</u>	<u>304,130</u>	<u>3,396,661</u>	<u>3,746,118</u>
Expenses:						
General	604,963	633,364	-	-	604,963	633,364
Public safety	606,944	560,516	-	-	606,944	560,516
Public works	1,623,466	823,710	-	-	1,623,466	823,710
Economic development	25,705	9,595	-	-	25,705	9,595
Parks and recreation	46,954	44,426	-	-	46,954	44,426
Sewer	-	-	139,366	132,355	139,366	132,355
Water	-	-	132,896	135,736	132,896	135,736
Interest and fees on long-term debt	630,270	512,274	-	-	630,270	512,274
Total expenses	<u>3,538,302</u>	<u>2,583,885</u>	<u>272,262</u>	<u>268,091</u>	<u>3,810,564</u>	<u>2,851,976</u>
Change in net position	<u>(279,405)</u>	<u>858,103</u>	<u>(134,498)</u>	<u>36,039</u>	<u>(413,903)</u>	<u>894,142</u>
Net position - January 1, as previously reported	9,786,504	8,928,401	8,021,813	7,985,774	17,808,317	16,914,175
Prior period adjustment	(411,052)	-	-	-	(411,052)	-
Net position - January 1, as restated	<u>9,375,452</u>	<u>8,928,401</u>	<u>8,021,813</u>	<u>7,985,774</u>	<u>17,397,265</u>	<u>16,914,175</u>
Net position - December 31	<u>\$9,096,047</u>	<u>\$9,786,504</u>	<u>\$7,887,315</u>	<u>\$8,021,813</u>	<u>\$16,983,362</u>	<u>\$17,808,317</u>

Management's Discussion and Analysis

Below are specific graphs which provide comparisons of the governmental activities revenues and expenditures:



Management's Discussion and Analysis

Financial Analysis of the Government's Funds

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,021,218.

The General Fund increased by \$268,475 in 2015.

Budgetary Highlights

General Fund. The City budgeted for an increase in fund balance of \$0 while the actual increase was \$268,475. Revenues were over budget by \$108,118 and expenses were under budget \$360,357.

Capital Asset and Debt Administration

Capital assets. The City's net investment in capital assets as of December 31, 2015, amounts to \$12,596,290. This investment in capital assets is as follows.

City of Columbus, Minnesota's Capital Assets (Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land (not depreciated)	\$532,802	\$532,802	\$ -	\$ -	\$532,802	\$532,802
Buildings	1,661,972	1,709,113	-	-	1,661,972	1,709,113
Roads	4,593,524	4,465,680	8,461,215	8,658,955	13,054,739	13,124,635
Vehicles and equipment	504,993	426,523	-	-	504,993	426,523
Construction in progress	-	324,644	-	-	-	324,644
	<u>\$7,293,291</u>	<u>\$7,458,762</u>	<u>\$8,461,215</u>	<u>\$8,658,955</u>	<u>\$15,754,506</u>	<u>\$16,117,717</u>

Additional information on the City's capital assets can be found in Note 5.

Management's Discussion and Analysis

Long-term debt. At the end of the current fiscal year, the City had long-term bonded debt outstanding of \$12,064,000 a net change of \$977,000 from 2014.

City of Columbus, Minnesota's Outstanding Debt

	<u>2015</u>	<u>2014</u>
General Obligation Improvement Bonds	\$12,064,000	\$13,041,000

Additional information of the City's long-term debt can be found in Note 6.

Requests for information. This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Columbus, City Administrator, 16319 Kettle River Boulevard, Columbus, Minnesota 55025.

BASIC FINANCIAL STATEMENTS

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CITY OF COLUMBUS, MINNESOTA

STATEMENT OF NET POSITION

December 31, 2015

Statement 1

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets:			
Cash and investments	\$4,429,196	\$90,320	\$4,519,516
Cash and investments with escrow agent or trustee	70	-	70
Accounts receivable - net	1,699	24,082	25,781
Due from other governmental units	16,638	-	16,638
Internal balances	686,049	(686,049)	-
Property taxes receivable	135,620	-	135,620
Special assessments receivable	6,500,630	-	6,500,630
Land held for resale	2,919,208	-	2,919,208
Capital assets (net of accumulated depreciation):			
Land	532,802	-	532,802
Buildings	1,661,972	-	1,661,972
Infrastructure	4,593,524	8,461,215	13,054,739
Vehicles and equipment	504,993	-	504,993
Total assets	21,982,401	7,889,568	29,871,969
Deferred outflows of resources:			
Related to pensions	52,445	-	52,445
Liabilities:			
Accounts payable	26,438	948	27,386
Salaries payable	6,938	-	6,938
Due to other governments	70,570	1,305	71,875
Unearned revenue	1,200	-	1,200
Accrued interest payable	202,687	-	202,687
Compensated absences payable:			
Due within one year	7,895	-	7,895
Due in more than one year	19,806	-	19,806
Bonds payable:			
Due within one year	900,000	-	900,000
Due in more than one year	11,244,372	-	11,244,372
Net pension liability:			
Due in more than one year	373,141	-	373,141
Total liabilities	12,853,047	2,253	12,855,300
Deferred inflows of resources:			
Related to pensions	85,752	-	85,752
Net position:			
Net investment in capital assets	4,135,075	8,461,215	12,596,290
Restricted for debt service	1,392,316	-	1,392,316
Unrestricted	3,568,656	(573,900)	2,994,756
Total net position	\$9,096,047	\$7,887,315	\$16,983,362

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBUS, MINNESOTA
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u> Charges For Services
Primary government:		
Governmental activities:		
General government	\$604,963	\$139,532
Public safety	606,944	82,758
Public works	1,623,466	12,441
Economic development	25,705	192
Parks and recreation	46,954	12,118
Interest on long-term debt	630,270	50,000
Total governmental activities	<u>3,538,302</u>	<u>297,041</u>
Business-type activities:		
Water	139,366	76,400
Sewer	132,896	61,132
Total business-type activities	<u>272,262</u>	<u>137,532</u>
Total primary government	<u><u>\$3,810,564</u></u>	<u><u>\$434,573</u></u>

The accompanying notes are an integral part of these financial statements.

Program Revenues		Net (Expense) Revenue and Changes in Net Position Primary Government		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
\$32,907	\$ -	(\$432,524)	\$ -	(\$432,524)
55,500	-	(468,686)	-	(468,686)
10,000	301,365	(1,299,660)	-	(1,299,660)
15,300	-	(10,213)	-	(10,213)
6,050	-	(28,786)	-	(28,786)
-	-	(580,270)	-	(580,270)
<u>119,757</u>	<u>301,365</u>	<u>(2,820,139)</u>	<u>0</u>	<u>(2,820,139)</u>
-	-	-	(62,966)	(62,966)
-	-	-	(71,764)	(71,764)
<u>0</u>	<u>0</u>	<u>0</u>	<u>(134,730)</u>	<u>(134,730)</u>
<u>\$119,757</u>	<u>\$301,365</u>	<u>(2,820,139)</u>	<u>(134,730)</u>	<u>(2,954,869)</u>
General revenues:				
General property taxes		2,495,759	-	2,495,759
Grants and contributions not restricted to specific programs		6,903	-	6,903
Unrestricted investment earnings		13,816	232	14,048
Miscellaneous		24,256	-	24,256
Total general revenues		<u>2,540,734</u>	<u>232</u>	<u>2,540,966</u>
Change in net position		<u>(279,405)</u>	<u>(134,498)</u>	<u>(413,903)</u>
Net position - January 1, as previously reported		9,786,504	8,021,813	17,808,317
Prior period adjustment		<u>(411,052)</u>	-	<u>(411,052)</u>
Net position - January 1, as restated		<u>9,375,452</u>	<u>8,021,813</u>	<u>17,397,265</u>
Net position - December 31		<u>\$9,096,047</u>	<u>\$7,887,315</u>	<u>\$16,983,362</u>

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBUS, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015

	(100) General Fund	(120) Public Works Special Revenue Fund	(125) Blacktop Maintenance Special Revenue Fund	(142) Public Safety Special Revenue Fund	(350) Bonds of 2012A - Refunding Portion Debt Service Fund	(371) Bonds of 2007B
Assets						
Cash and investments	\$1,021,949	\$498,517	\$580,502	\$586,753	\$414,747	\$164,600
Cash and investments with escrow agent or trustee	-	-	-	-	-	-
Accounts receivable - net	1,290	-	-	-	-	-
Due from other governmental units	13,852	-	-	2,786	-	-
Due from other funds	1,693,465	-	-	-	-	-
Property taxes receivable	95,928	10,867	6,578	9,786	-	-
Special assessments receivable	24,052	-	-	-	3,114,207	3,036,159
Land held for resale	-	-	-	-	-	-
Total assets	<u>\$2,850,536</u>	<u>\$509,384</u>	<u>\$587,080</u>	<u>\$599,325</u>	<u>\$3,528,954</u>	<u>\$3,200,759</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities:						
Accounts payable	\$19,121	\$4,700	\$ -	\$1,059	\$ -	\$ -
Salaries payable	4,835	2,103	-	-	-	-
Due to other governments	2,311	31	-	68,228	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	1,200	-	-	-	-	-
Total liabilities	<u>27,467</u>	<u>6,834</u>	<u>0</u>	<u>69,287</u>	<u>0</u>	<u>0</u>
Deferred inflows of resources:						
Unavailable revenue	100,235	-	-	-	3,105,829	3,030,470
Total deferred inflows of resources	<u>100,235</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,105,829</u>	<u>3,030,470</u>
Fund balance:						
Nonspendable	1,693,465	-	-	-	-	-
Restricted	-	-	-	-	423,125	170,289
Committed	-	502,550	587,080	530,038	-	-
Unassigned	1,029,369	-	-	-	-	-
Total fund balance	<u>2,722,834</u>	<u>502,550</u>	<u>587,080</u>	<u>530,038</u>	<u>423,125</u>	<u>170,289</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$2,850,536</u>	<u>\$509,384</u>	<u>\$587,080</u>	<u>\$599,325</u>	<u>\$3,528,954</u>	<u>\$3,200,759</u>

The accompanying notes are an integral part of these financial statements.

(480) EDA Quad 35 Project Fund	(481/482) EDA Quad Bond/Reserve Fund	(360) G.O. Tax Abatement Bond Fund	(460) EDA Land Refunding Escrow Fund	Other Governmental Funds	Intra-Activity Eliminations	Total Governmental Funds
\$ -	\$ -	\$55,176	\$ -	\$1,106,952	\$ -	\$4,429,196
-	-	-	70	-	-	70
-	-	-	409	-	-	1,699
-	-	-	-	-	-	16,638
-	-	-	-	-	(1,007,416)	686,049
-	-	-	-	12,461	-	135,620
-	-	-	-	326,212	-	6,500,630
2,919,208	-	-	-	-	-	2,919,208
<u>\$2,919,208</u>	<u>\$0</u>	<u>\$55,176</u>	<u>\$479</u>	<u>\$1,445,625</u>	<u>(\$1,007,416)</u>	<u>\$14,689,110</u>
\$ -	\$ -	\$ -	\$ -	\$1,558	\$ -	\$26,438
-	-	-	-	-	-	6,938
-	-	-	-	-	-	70,570
-	1,007,416	-	-	-	(1,007,416)	-
-	-	-	-	-	-	1,200
<u>0</u>	<u>1,007,416</u>	<u>0</u>	<u>0</u>	<u>1,558</u>	<u>(1,007,416)</u>	<u>105,146</u>
-	-	-	-	326,212	-	6,562,746
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>326,212</u>	<u>0</u>	<u>6,562,746</u>
-	-	-	-	-	-	1,693,465
2,919,208	-	55,176	479	550,371	-	4,118,648
-	-	-	-	567,484	-	2,187,152
-	(1,007,416)	-	-	-	-	21,953
<u>2,919,208</u>	<u>(1,007,416)</u>	<u>55,176</u>	<u>479</u>	<u>1,117,855</u>	<u>0</u>	<u>8,021,218</u>
<u>\$2,919,208</u>	<u>\$0</u>	<u>\$55,176</u>	<u>\$479</u>	<u>\$1,445,625</u>	<u>(\$1,007,416)</u>	<u>\$14,689,110</u>
Fund balance reported above						\$8,021,218
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.						7,293,291
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds:						
Delinquent taxes						76,184
Assessments not yet due or delinquent						6,486,562
Deferred outflows of resources - pension related are not current financial resources and, therefore, are not reported in the funds.						52,445
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:						
Accrued interest payable						(202,687)
Bonds payable						(12,064,000)
Unamortized bond premium/discount						(80,372)
Compensated absences						(27,701)
Net pension liability						(373,141)
Deferred inflows of resources - pension related are associated with long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.						(85,752)
Net position of governmental activities						<u>\$9,096,047</u>

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBUS, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2015

	(100) General Fund	(120) Public Works Special Revenue Fund	(125) Blacktop Maintenance Special Revenue Fund	(142) Public Safety Special Revenue Fund	(350) Bonds of 2012A - Refunding Portion Debt Service Fund	(371) Bonds of 2007B
Revenues:						
General property taxes	\$855,346	\$443,944	\$268,727	\$399,769	\$ -	\$ -
Licenses and permits	93,295	-	-	-	-	-
Intergovernmental	29,452	458	31,117	-	-	-
Special assessments	-	-	-	-	404,320	253,658
Investment income	3,836	1,247	2,625	1,353	466	8
Contributions and donations	9,900	-	-	55,500	-	-
Miscellaneous	133,120	4,463	-	6,050	-	-
Total revenues	<u>1,124,949</u>	<u>450,112</u>	<u>302,469</u>	<u>462,672</u>	<u>404,786</u>	<u>253,666</u>
Expenditures:						
Current:						
General government	590,380	-	-	-	-	-
Public safety	66,094	-	-	438,612	-	-
Public works	-	389,169	818,713	-	-	-
Parks and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	-	518,302	381,050
Fiscal and other charges	-	-	-	-	1,218	-
Cost of issuance	-	-	-	-	-	-
Total expenditures	<u>656,474</u>	<u>389,169</u>	<u>818,713</u>	<u>438,612</u>	<u>519,520</u>	<u>381,050</u>
Revenues over (under) expenditures	<u>468,475</u>	<u>60,943</u>	<u>(516,244)</u>	<u>24,060</u>	<u>(114,734)</u>	<u>(127,384)</u>
Other financing sources (uses):						
Refunding bonds issued	-	-	-	-	-	-
Discount on refunding bonds issued	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Transfers in	-	-	-	6,000	-	200,000
Transfers out	(200,000)	-	-	-	-	-
Total other financing sources (uses)	<u>(200,000)</u>	<u>0</u>	<u>0</u>	<u>6,000</u>	<u>0</u>	<u>200,000</u>
Net change in fund balance	268,475	60,943	(516,244)	30,060	(114,734)	72,616
Fund balance - January 1	2,454,359	441,607	1,103,324	499,978	537,859	97,673
Fund balance - December 31	<u>\$2,722,834</u>	<u>\$502,550</u>	<u>\$587,080</u>	<u>\$530,038</u>	<u>\$423,125</u>	<u>\$170,289</u>

The accompanying notes are an integral part of these financial statements.

(480) EDA Quad 35 Project Fund	(481/482) EDA Quad Bond/Reserve Fund	(360) G.O. Tax Abatement Bond Fund	(460) EDA Land Refunding Escrow Fund	Other Governmental Funds	Intra-Activity Eliminations	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$518,785	\$ -	\$2,486,571
-	-	-	-	-	-	93,295
-	-	-	-	43,029	-	104,056
-	-	-	-	100,294	-	758,272
-	1,046	28	478	2,729	-	13,816
-	-	-	-	19,350	-	84,750
-	-	50,000	-	34,369	-	228,002
<u>0</u>	<u>1,046</u>	<u>50,028</u>	<u>478</u>	<u>718,556</u>	<u>0</u>	<u>3,768,762</u>
-	-	-	-	-	-	590,380
-	-	-	-	90,268	-	594,974
-	-	-	-	8,889	-	1,216,771
-	-	-	-	37,529	-	37,529
-	-	-	-	25,705	-	25,705
-	-	-	-	161,812	-	161,812
-	208,151	-	419,343	227,594	-	1,754,440
-	-	-	-	900	-	2,118
-	-	23,800	87,848	-	-	111,648
<u>0</u>	<u>208,151</u>	<u>23,800</u>	<u>507,191</u>	<u>552,697</u>	<u>0</u>	<u>4,495,377</u>
<u>0</u>	<u>(207,105)</u>	<u>26,228</u>	<u>(506,713)</u>	<u>165,859</u>	<u>0</u>	<u>(726,615)</u>
-	-	29,142	4,350,858	-	-	4,380,000
-	-	-	(30,035)	-	-	(30,035)
-	-	-	(4,232,975)	-	-	(4,232,975)
-	142,675	-	419,344	69,801	(837,820)	-
-	(419,150)	(194)	-	(218,476)	837,820	-
<u>0</u>	<u>(276,475)</u>	<u>28,948</u>	<u>507,192</u>	<u>(148,675)</u>	<u>0</u>	<u>116,990</u>
0	(483,580)	55,176	479	17,184	0	(609,625)
<u>2,919,208</u>	<u>(523,836)</u>	<u>-</u>	<u>-</u>	<u>1,100,671</u>	<u>-</u>	<u>8,630,843</u>
<u>\$2,919,208</u>	<u>(\$1,007,416)</u>	<u>\$55,176</u>	<u>\$479</u>	<u>\$1,117,855</u>	<u>\$0</u>	<u>\$8,021,218</u>

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBUS, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2015

Statement 5

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

Net changes in fund balances - total governmental funds (Statement 4)		(\$609,625)
<p>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:</p>		
Depreciation		(329,152)
Capital outlay		161,812
Capital outlay not capitalized		(10,555)
Capitalized current expenditures		40,999
<p>The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins) is to decrease net position</p>		
		(28,575)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:</p>		
Change in delinquent taxes		9,188
Change in special assessments		(519,053)
<p>The issuance of long-term debt (e.g. bonds) provides current financial resources for governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The amounts of these differences are:</p>		
Principal payments on long-term debt		1,124,025
Bonds issued		(4,380,000)
Discount on bonds issued		30,035
Payment to escrow agent		4,232,975
Bond premium/discounts		(14,408)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Expenses reported in the statement of activities include the effects of the changes in these expense accruals as follows:</p>		
Change in accrued interest payable		10,436
Change in compensated absences payable		(2,111)
<p>Governmental funds report pension contributions as expenditures, however, pension expense is reported in the Statement of Activities. This is the amount by which pension expense exceeded pension contributions:</p>		
Pension contributions	\$31,955	
Pension expense	(27,351)	<u>4,604</u>
Change in net position of governmental activities (Statement 2)		<u><u>(\$279,405)</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBUS, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2015

Statement 6

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total Enterprise Funds</u>
Assets:			
Current assets:			
Cash and investments	\$90,320	\$ -	\$90,320
Accounts receivable - net	13,761	10,321	24,082
Total current assets	<u>104,081</u>	<u>10,321</u>	<u>114,402</u>
Capital assets:			
Improvements other than buildings	4,635,093	5,251,905	9,886,998
Less: accumulated depreciation	<u>(744,913)</u>	<u>(680,870)</u>	<u>(1,425,783)</u>
Total capital assets	<u>3,890,180</u>	<u>4,571,035</u>	<u>8,461,215</u>
Total assets	<u>3,994,261</u>	<u>4,581,356</u>	<u>8,575,617</u>
Liabilities:			
Current liabilities:			
Accounts payable	269	679	948
Due to other governments	-	1,305	1,305
Due to other funds	-	686,049	686,049
Total current liabilities	<u>269</u>	<u>688,033</u>	<u>688,302</u>
Net position:			
Net investment in capital assets	3,890,180	4,571,035	8,461,215
Unrestricted	103,812	(677,712)	(573,900)
Total net position	<u>\$3,993,992</u>	<u>\$3,893,323</u>	<u>\$7,887,315</u>

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBUS, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended December 31, 2015

Statement 7

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total Enterprise Funds</u>
Operating revenues:			
Charges for services	<u>\$61,132</u>	<u>\$76,400</u>	<u>\$137,532</u>
Operating expenses:			
Supplies	6,194	769	6,963
Other services and charges	34,000	33,559	67,559
Depreciation	<u>92,702</u>	<u>105,038</u>	<u>197,740</u>
Total operating expenses	<u>132,896</u>	<u>139,366</u>	<u>272,262</u>
Operating income (loss)	<u>(71,764)</u>	<u>(62,966)</u>	<u>(134,730)</u>
Nonoperating revenue (expenses):			
Investment income	<u>232</u>	<u>-</u>	<u>232</u>
Total nonoperating revenue (expenses)	<u>232</u>	<u>0</u>	<u>232</u>
Change in net position	(71,532)	(62,966)	(134,498)
Net position - January 1	<u>4,065,524</u>	<u>3,956,289</u>	<u>8,021,813</u>
Net position - December 31	<u><u>\$3,993,992</u></u>	<u><u>\$3,893,323</u></u>	<u><u>\$7,887,315</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBUS, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2015

Statement 8

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total Enterprise Funds</u>
Cash flows from operating activities:			
Receipts from customers and users	\$58,276	\$72,204	\$130,480
Payment to suppliers	(40,183)	(34,293)	(74,476)
Net cash flows provided by operating activities	<u>18,093</u>	<u>37,911</u>	<u>56,004</u>
Cash flows from noncapital financing activities:			
Advances to/from other funds - net change	<u>-</u>	<u>(253,335)</u>	<u>(253,335)</u>
Cash flows from financing activities:			
Intergovernmental revenue	<u>-</u>	<u>215,424</u>	<u>215,424</u>
Net cash flows provided by (used in) financing activities	<u>0</u>	<u>215,424</u>	<u>215,424</u>
Cash flows from investing activities:			
Investment income	<u>232</u>	<u>-</u>	<u>232</u>
Net increase in cash and cash equivalents	18,325	-	18,325
Cash and cash equivalents - January 1	<u>71,995</u>	<u>-</u>	<u>71,995</u>
Cash and cash equivalents - December 31	<u><u>\$90,320</u></u>	<u><u>\$0</u></u>	<u><u>\$90,320</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	<u>(\$71,764)</u>	<u>(\$62,966)</u>	<u>(\$134,730)</u>
Adjustment to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	92,702	105,038	197,740
Changes in assets and liabilities:			
(Increase) decrease in receivables	(2,856)	(4,196)	(7,052)
Increase (decrease) in payables, due to other governments	11	35	46
Total adjustments	<u>89,857</u>	<u>100,877</u>	<u>190,734</u>
Net cash provided by operating activities	<u><u>\$18,093</u></u>	<u><u>\$37,911</u></u>	<u><u>\$56,004</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBUS, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
GENERAL ESCROW AGENCY FUND
December 31, 2015

Statement 9

	<u>2015</u>
Assets:	
Cash and investments	<u>\$6,750</u>
Total assets	<u><u>\$6,750</u></u>
Liabilities:	
Deposits payable	<u>\$6,750</u>
Total liabilities	<u><u>\$6,750</u></u>

The accompanying notes are an integral part of these financial statements.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Columbus, Minnesota (the City) was formed and operates pursuant to applicable Minnesota laws and statutes. The governing body consists of a mayor and four council members. All members are elected on a nonpartisan, at-large basis and serve on a part-time basis. The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units by the Governmental Accounting Standards Board (GASB). The City's significant accounting policies are described below.

A. FINANCIAL REPORTING ENTITY

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City of Columbus, Minnesota (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government.

The Economic Development Authority (EDA) was created by the City to encourage the development of certain properties within the City. The EDA has seven members, consisting of five council members, of which the mayor is president, and two at-large members. The City Administrator is the executive director. The EDA shall have all the rights, powers, duties, obligations, and limitations as set forth in Minnesota Statutes, Section 469.090 to 469.108.

The Housing and Redevelopment Authority (HRA) is an entity legally separate from the City. However, for financial reporting purposes, the HRA is reported as if it were part of the City's operations because the members of the City Council serve as HRA Board members along with two at-large members and its activity is confined to the City. Separate financial statements are not prepared for the HRA.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major 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 City's only fiduciary funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, special assessments, intergovernmental revenues, charges for services and interest 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 City.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Public Works Special Revenue Fund* accounts for all revenues and expenditures relating to the roads and bridges in the City.

The *Blacktop Maintenance Special Revenue Fund* accounts for all revenues and expenditures relating to blacktop maintenance projects within the City.

The *Public Safety Special Revenue Fund* accounts for all revenues and expenditures relating to the police, emergency management and fire in the City.

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

The *Bonds of 2012A- Refunding Portion Debt Service Fund* accounts for the debt service payments relating to the bonds of 2012A.

The *Bonds of 2007B Debt Service Fund* accounts for the debt service payments relating to the Bonds of 2007B.

The *EDA Quad 35 Project Fund* accounts for the EDA's development activities.

The *EDA Quad Bond/Reserve Fund* accounts for the debt service payments relating to the 2010 taxable lease revenue bonds and the reserve requirements of the bonds.

The *G.O. Tax Abatement Bond Fund* accounts for the debt service payments relating to the 2015 G.O. Tax Abatement Bonds.

The *EDA Land Refunding Escrow Fund* accounts for the escrow accounts relating to the 2015 G.O. Tax Abatement Bonds, which advance refunded the 2010 Taxable Lease Revenue Bonds.

The City reports the following major proprietary funds:

The *Sewer Fund* accounts for the sewer service charges, which are used to finance the sanitary sewer system operating expenses.

The *Water Fund* accounts for the water service charges, which are used to finance the water system operating expenses.

In addition, the City reports the following fund type:

Agency Fund - accounts for individual performance escrows relating to permits issued by city.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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. The principal operating revenues of the water and sewer proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. BUDGETS

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General and Special Revenue Funds with the exception of the Charitable Gambling Fund. Budgeted expenditure appropriations lapse at year end.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is not employed by the City because it is, at present, not considered necessary to assure effective budgetary control or to facilitate effective cash management.

E. LEGAL COMPLIANCE - BUDGETS

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. The City Council conducts a series of workshops for City Council discussion on the proposed budget.
3. A public hearing is conducted to obtain taxpayer comments.
4. Expenditures that have not been budgeted require specific Council approval.

F. CASH AND INVESTMENTS

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments. Investment income is allocated to individual funds on the basis of the fund's equity in the cash and investment pool.

Investments are stated at fair value, based upon quoted market prices, except for investments in 2a7-like external investment pools, which are stated at amortized cost and approximate fair value. Investment income is accrued at the balance sheet date.

G. RECEIVABLES AND PAYABLES

Property taxes and special assessments (see notes 1(H) and 1(I)) have been reported net of estimated uncollectible accounts. Uncollectible amounts are not material for other receivables and have not been reported.

H. PROPERTY TAX REVENUE RECOGNITION

The City Council annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the City on or before July 7 and December 2 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City recognizes property tax revenue in the period for which the taxes were levied. Uncollectible property taxes are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes and State credits received by the City in July, December and January are recognized as revenue for the current year. Taxes collected by the County by December 31 (remitted to the City the following January) and taxes and credits not received at year end are classified as delinquent and due from County taxes receivable. The portion of delinquent taxes not collected by the City in January are fully offset by deferred inflows of resources because they are not available to finance current expenditures.

I. SPECIAL ASSESSMENT REVENUE RECOGNITION

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with State Statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the County auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale. Proceeds of sales from tax forfeit properties are remitted to the City in payment of delinquent special assessments. Pursuant to State Statutes, a property shall be subject to a tax forfeit sale after

three years unless it is homesteaded, agricultural or seasonal recreational land in which event the property is subject to such sale after five years.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. All remaining delinquent and deferred assessments receivable in governmental funds are offset by deferred inflows of resources.

J. INVENTORIES

The original cost of materials and supplies have been recorded as expenditures at the time of purchase (purchases method). The City does not maintain material amounts of inventories of goods or supplies.

K. CAPITAL ASSETS

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the City as all land and other assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. In the case of initial capitalization of general infrastructure assets, the City chose to include only those items constructed after 1980.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The City implemented GASB 51, *Accounting and Financial Reporting for Intangible Assets* effective January 1, 2010, which required the City to capitalize and amortize intangible assets. Pursuant to GASB Statement 51, in the case of initial capitalization of intangible assets, the City chose not to retroactively report permanent easements. The City had already accounted for temporary easements and computer software at historical cost and therefore retroactive reporting was not necessary. The amounts of these assets are not material to the financial statements and therefore, have not been reported separately from other capital assets. The City acquired no intangible assets for the year ending December 31, 2015.

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

Property, plant and equipment of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	
Buildings	50 years
Vehicles and equipment	10 years
Roads	30 years
Infrastructure	50 years

L. COMPENSATED ABSENCES

It is the City’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and accumulated sick leave benefits that are vested as severance pay are accrued when incurred in the government-wide 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. In accordance with the provisions of Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

M. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are immaterial and are expensed in the year of bond issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

N. FUND BALANCE CLASSIFICATIONS

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable - consists of amounts that are not in spendable form, such as prepaid items.

Restricted - consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - consists of internally imposed constraints. These constraints are established by Resolution of the City Council.

Assigned - consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City's intended use. These constraints are established by the City Council and/or management.

Unassigned – is the residual classification for the General Fund and also reflects negative residual amounts in other funds.

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

When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order; 1) committed 2) assigned and 3) unassigned.

O. INTERFUND TRANSACTIONS

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Interfund loans are reported as an interfund loan receivable or payable which offsets the movement of cash between funds. All other interfund transactions are reported as transfers.

P. USE OF ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

Q. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has one item that qualifies for reporting in this category. It is the pension related deferred outflows of resources reported in the government-wide Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has pension related deferred inflows of resources reported in the government-wide Statement of Net Position. The government also has a type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported

only in the governmental fund balance sheet. The governmental funds report unavailable revenues from the following sources: property taxes and special assessments.

R. COMPARATIVE TOTALS

The individual fund financial statements and schedules include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

Note 2 DEPOSITS AND INVESTMENTS

A. DEPOSITS

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City Council, all of which are members of the Federal Reserve System.

Minnesota Statutes require that all City deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds.

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City treasurer or in a financial institution other than that furnishing the collateral. Authorized collateral includes the following:

- a) United States government treasury bills, treasury notes and treasury bonds;
- b) Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- c) General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- d) Unrated general obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- e) Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation; and
- f) Time deposits that are fully insured by any federal agency.

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Balances at December 31, 2015 are as follows:

	<u>Bank Balances</u>	<u>Carrying Amount</u>
Deposits	<u>\$3,561,983</u>	<u>\$3,526,130</u>

Custodial Credit Risk – Deposits - Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. State statutes require that insurance, surety bonds or collateral protect all City deposits. The market value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. As of December 31, 2015, the bank balance of the City’s deposits was covered by federal depository insurance or covered by perfected collateral held in the City’s name.

B. INVESTMENTS

Minnesota Statutes authorize the City to invest in the following:

- a) Direct obligations or obligations guaranteed by the United States or its agencies, its instrumentalities or organizations created by an act of congress, excluding mortgage-backed securities defined as high risk.
- b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above, general obligation tax-exempt securities, or repurchase or reverse repurchase agreements.
- c) State and local securities as follows:
 - 1) any security which is a general obligation of any state or local government with taxing powers which is rated “A” or better by a national bond rating service;
 - 2) any security which is a revenue obligation of any state or local government with taxing powers which is rated “AA” or better by a national bond rating service; and
 - 3) a general obligation of the Minnesota Housing Finance Agency which is a moral obligation of the State of Minnesota and is rated “A” or better by a national bond rating agency.
- d) Bankers acceptance of United States banks eligible for purchase by the Federal Reserve System.
- e) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
- f) Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; certain Minnesota securities broker-dealers; or, a bank qualified as a depositor.
- g) General obligation temporary bonds of the same governmental entity issued under section 429.091, subdivision 7; 469.178, subdivision 5; or 475.61, subdivision 6.

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

As of December 31, 2015, the City had the following investments and maturities:

Investment Type	Rating	Fair Value	Maturity	
			Less Than 1 Year	1-2 Years
Wells Fargo Money Market Fund	Aaa-mf	\$206	\$206	\$ -
Brokered CD's	N/R	1,000,000	500,000	500,000
Total investments		<u>\$1,000,206</u>	<u>\$500,206</u>	<u>\$500,000</u>
Total investments				\$1,000,206
Deposits				3,526,130
Total cash and investments				<u>\$4,526,336</u>

The following is a reconciliation of the City's total cash and investments at December 31, 2015:

Government-wide statement of position:	
Cash and investments	\$4,519,516
Cash and investments held with escrow agent or trustee	70
Fiduciary Fund statement of net position	6,750
Total	<u>\$4,526,336</u>

C. INVESTMENT RISKS

Custodial credit risk – investments – For investments in securities, custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures. The City's investment policy does not address custodial risk. However, investments in securities are held by the City's broker-dealer of which \$500,000 is insured through SIPC. Each broker-dealer has provided additional protection by providing additional insurance. This insurance is subject to aggregate limits applied to all of the broker-dealers' accounts.

Interest rate risk – Interest rate risk is the risk that changes in interest rates of debt investments could adversely affect the fair value of an investment. The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. State law limits investments to those listed in Note 2(B). The City's investment policy does not place further restrictions on investment options.

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Concentration of credit risk – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government’s investment in a single issuer. The City places no limit on the amount the City may invest in any one issuer. The City does not have exposure to a single issuer that equals or exceeds 5% of the overall portfolio and, therefore, there is no concentration of credit risk.

Note 3 RECEIVABLES

Significant receivable balances not expected to be collected within one year of December 31, 2015 are as follows:

	<u>Delinquent Property Taxes</u>	<u>Special Assessments</u>
Major funds:		
(100) General Fund	\$43,200	\$24,000
(350) Bonds of 2012A - refunding portion of debt service fund	-	2,890,000
(371) Bonds of 2007B	-	2,942,000
Nonmajor funds	<u>-</u>	<u>283,000</u>
Total	<u><u>\$43,200</u></u>	<u><u>\$6,139,000</u></u>

Note 4 UNAVAILABLE REVENUE

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	<u>Delinquent Property Taxes</u>	<u>Delinquent Special Assessments</u>	<u>Special Assessments Not Yet Due</u>	<u>Total</u>
Major funds:				
(100) General Fund	\$76,184	\$ -	\$24,051	\$100,235
(350) Bonds of 2012A - refunding portion of debt service fund	-	43,114	3,062,715	3,105,829
(371) Bonds of 2007B	-	78,592	2,951,878	3,030,470
Nonmajor funds	<u>-</u>	<u>3,087</u>	<u>323,125</u>	<u>326,212</u>
Total	<u><u>\$76,184</u></u>	<u><u>\$124,793</u></u>	<u><u>\$6,361,769</u></u>	<u><u>\$6,562,746</u></u>

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

Primary Government	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$532,802	\$ -	\$ -	\$ -	\$532,802
Construction in progress	324,644	3,820	(328,464)	-	-
Total capital assets, not being depreciated	<u>857,446</u>	<u>3,820</u>	<u>(328,464)</u>	<u>0</u>	<u>532,802</u>
Capital assets, being depreciated:					
Buildings	2,357,041	-	-	-	2,357,041
Roads	6,018,609	328,464	-	-	6,347,073
Vehicles and equipment	1,220,855	188,436	(55,625)	-	1,353,666
Total capital assets, being depreciated	<u>9,596,505</u>	<u>516,900</u>	<u>(55,625)</u>	<u>0</u>	<u>10,057,780</u>
Less accumulated depreciation for:					
Buildings	647,928	47,141	-	-	695,069
Roads	1,552,929	200,620	-	-	1,753,549
Vehicles and equipment	794,332	81,391	(27,050)	-	848,673
Total accumulated depreciation	<u>2,995,189</u>	<u>329,152</u>	<u>(27,050)</u>	<u>0</u>	<u>3,297,291</u>
Total capital assets being depreciated - net	<u>6,601,316</u>	<u>187,748</u>	<u>(28,575)</u>	<u>0</u>	<u>6,760,489</u>
Governmental activities capital assets - net	<u>\$7,458,762</u>	<u>\$191,568</u>	<u>(\$357,039)</u>	<u>\$0</u>	<u>\$7,293,291</u>
Business-type activities:					
Capital assets, being depreciated:					
Water infrastructure	\$5,251,905	\$ -	\$ -	\$ -	\$5,251,905
Sewer infrastructure	4,635,093	-	-	-	4,635,093
Total capital assets being depreciated	<u>9,886,998</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,886,998</u>
Less accumulated depreciation for:					
Water infrastructure	575,832	105,038	-	-	680,870
Sewer infrastructure	652,211	92,702	-	-	744,913
Total accumulated depreciation	<u>1,228,043</u>	<u>197,740</u>	<u>0</u>	<u>0</u>	<u>1,425,783</u>
Business-type activities capital assets - net	<u>\$8,658,955</u>	<u>(\$197,740)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$8,461,215</u>

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

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

Governmental activities:	
General government	\$15,229
Public safety	11,970
Public works	292,528
Parks and recreation	9,425
Total depreciation expense - governmental activities	<u>\$329,152</u>
Business-type activities:	
Water	\$105,038
Sewer	92,702
Total depreciation expense - business-type activities	<u>\$197,740</u>

Note 6 LONG-TERM DEBT

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. As of December 31, 2015, the long-term debt of the financial reporting entity consisted of the following:

	Issue Date	Final Maturity Date	Authorized and Issued	Interest Rate	Outstanding 12/31/15
Governmental activities:					
G.O. Improvement Bonds of 2007B	11/15/07	2/1/24	\$4,305,000	4.1%	\$2,885,000
G.O. Capital Improvement Bonds of 2007A	6/1/07	2/1/23	1,380,000	3.65% - 4.150%	835,000
G.O. Capital Improvement Bonds of 2010A	8/19/10	2/1/21	281,000	4.15%	188,000
G.O. Capital Improvement Bonds of 2012A	4/1/12	4/1/28	795,000	2.00 - 2.75%	705,000
G.O. Capital Improvement Bonds of 2012A Refunding Portion	4/1/12	4/1/22	3,270,000	2.00 - 2.15%	2,675,000
G.O. Capital Improvement Bonds of 2014	10/2/14	2/1/25	396,000	2.35 - 3.35%	396,000
G.O. Tax Abatement Bonds of 2015	4/1/15	4/1/15	4,480,000	1.50 - 4.00%	4,380,000
Issuance premiums (discounts)	N/A	N/A	N/A	N/A	80,372
Total bonded indebtedness					<u>12,144,372</u>
Compensated absences payable	N/A	N/A	N/A	N/A	27,701
Total long-term debt					<u>\$12,172,073</u>

ADVANCE REFUNDING

On April 1, 2015, the City issued \$4,380,000 in Taxable Obligation Abatement Bonds, Series 2015A with an average interest rate of 3.76% to advance refund \$4,400,000 of outstanding 2010 Taxable Lease Revenue Bonds with an average interest rate of 6.24%. The net proceeds of \$4,234,975 along with \$419,344 of City funds were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for payment of the principal and interest.

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

The City advance refunded the 2010 Taxable Lease Revenue Bond to reduce its total debt service payments over the last 17 years of the bond by \$900,972 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new) of \$551,916. The amount of the bonds defeased at December 31, 2015 was \$4,315,000.

PAYMENTS TO MATURITY

The annual requirement to amortize all debt outstanding at December 31, 2015 is as follows:

	Governmental Activities					
	General Obligation Improvement Bonds of 2007B		General Obligation Capital Improvements of 2010A		General Obligation Capital Improvements of 2007A	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$270,000	\$110,000	\$28,000	\$7,221	\$90,000	\$32,016
2017	290,000	98,800	29,000	6,038	95,000	28,363
2018	300,000	87,000	31,000	4,793	100,000	24,486
2019	300,000	75,000	32,000	3,486	100,000	20,486
2020	325,000	62,500	33,000	2,137	105,000	16,360
2021	340,000	49,200	35,000	726	110,000	11,979
2022	340,000	35,600	-	-	115,000	7,352
2023	355,000	21,700	-	-	120,000	2,490
2024	365,000	7,300	-	-	-	-
	<u>\$2,885,000</u>	<u>\$547,100</u>	<u>\$188,000</u>	<u>\$24,401</u>	<u>\$835,000</u>	<u>\$143,532</u>

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Governmental Activities								
	General Obligation Capital Improvements of 2012A		General Obligation Capital Improvements of 2012A - Refunding Portion		General Obligation Capital Improvements of 2014		General Obligation Tax Abatement Bonds of 2015	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2016	\$45,000	\$16,395	\$435,000	\$49,353	\$32,000	\$11,070	\$ -
2017	50,000	15,445	440,000	40,603	36,000	10,271	60,000	154,212
2018	50,000	14,445	420,000	32,003	37,000	9,413	75,000	153,200
2019	50,000	13,445	435,000	23,453	38,000	8,532	85,000	151,787
2020	50,000	12,445	450,000	14,603	39,000	7,627	100,000	149,937
2021	50,000	11,445	360,000	6,503	40,000	6,499	115,000	147,644
2022	55,000	10,354	135,000	1,447	41,000	5,142	130,000	144,725
2023	55,000	9,006	-	-	43,000	3,735	145,000	141,106
2024	55,000	7,494	-	-	44,000	2,279	165,000	136,637
2025	60,000	5,913	-	-	46,000	770	180,000	131,283
2026	60,000	4,263	-	-	-	-	195,000	125,136
2027	60,000	2,613	-	-	-	-	215,000	118,108
2028	65,000	894	-	-	-	-	235,000	110,115
2029	-	-	-	-	-	-	255,000	101,168
2030	-	-	-	-	-	-	275,000	91,225
2031	-	-	-	-	-	-	300,000	80,000
2032	-	-	-	-	-	-	320,000	67,600
2033	-	-	-	-	-	-	345,000	54,300
2034	-	-	-	-	-	-	370,000	40,000
2035	-	-	-	-	-	-	395,000	24,700
2036	-	-	-	-	-	-	420,000	8,400
	<u>\$705,000</u>	<u>\$124,157</u>	<u>\$2,675,000</u>	<u>\$167,965</u>	<u>\$396,000</u>	<u>\$65,338</u>	<u>\$4,380,000</u>	<u>\$2,337,500</u>

CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2015, was as follows:

	Balance 01/01/15	Additions	Deletions	Balance 12/31/15	Due Within One Year
Governmental activities:					
G.O. Improvement Bonds of 2007B	\$3,145,000	\$ -	(\$260,000)	\$2,885,000	\$270,000
G.O. Capital Improvement Bonds of 2007A	920,000	-	(85,000)	835,000	90,000
G.O. Capital Improvement Bonds of 2010A	215,000	-	(27,000)	188,000	28,000
G.O. Capital Improvement Bonds of 2012A	750,000	-	(45,000)	705,000	45,000
G.O. Capital Improvement Bonds of 2012A refunding portion	3,135,000	-	(460,000)	2,675,000	435,000
G.O. Capital Improvement Bonds of 2014	396,000	-	-	396,000	32,000
EDA Taxable Lease Revenue Bonds of 2010	4,480,000	-	(4,480,000)	-	-
G.O. Tax Abatement Bonds of 2015	-	4,380,000	-	4,380,000	-
Compensated absences	25,590	21,719	(19,608)	27,701	7,895
Subtotal	<u>13,066,590</u>	<u>\$4,401,719</u>	<u>(\$5,376,608)</u>	<u>12,091,701</u>	<u>\$907,895</u>
Unamortized premium (discount) on bonds	95,999			80,372	
Total governmental activities	<u>\$13,162,589</u>			<u>\$12,172,073</u>	

It is not practicable to determine the specific year for payment of accrued compensated absences.

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

For the governmental activities, compensated absences are generally liquidated by the General Fund. All long-term bonded indebtedness outstanding at December 31, 2015 is backed by the full faith and credit of the City. Delinquent assessments receivable at December 31, 2015 were \$124,793.

Bond Issue	Use of Proceeds	Revenue Pledged			Remaining Principal and Interest	Current Year	
		Type	Percent of Total Debt Service	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
2007A	Public Works Building	Property Taxes	100%	2008 - 2023	\$978,532	\$120,430	\$127,800
2007B	Infrastructure Improvements	Special Assessments	100%	2008 - 2024	\$3,432,100	\$380,600	\$253,658
2010A	Infrastructure Improvements	Special Assessments	100%	2010 - 2021	\$212,401	\$35,362	\$22,520
2012A	Infrastructure Improvements	Property Taxes	100%	2012-2028	\$829,157	\$62,295	\$65,836
2012A	Refunding of 2004, 2005A and 2006 Infrastructure Improvements	Special Assessments	100%	2012-2022	\$2,842,965	\$518,303	\$404,320
2014	Infrastructure Improvements	Special Assessments	100%	2014-2023	\$461,338	\$9,507	\$58,739
2015	Refunding of 2010 Land Purchase	Lease Revenue *	100%	2015 - 2036	\$6,717,500	\$0	\$0

* The City's Economic Development Authority (a blended component unit) issued taxable lease revenue bonds. The City signed a lease agreement for the purchased land. The land is currently reported as land held for resale.

CONDUIT DEBT OBLIGATIONS

Conduit debt obligations are certain limited-obligation revenue bonds or similar debt instruments issued for the express purpose of providing capital financing for a specific third party. The City has issued various Industrial Development Revenue Bonds to provide funding to private-sector entities for projects deemed to be in the public interest. Although these bonds bear the name of the City, the City has no obligation for such debt. As of December 31, 2015, there were Senior Housing Revenue Refunding Bonds for the City of Richfield with an original issue amount of \$19.5 million and Charter School Lease Revenue Bonds for New Millennium Academy with an original issue amount of \$18 million outstanding. The aggregate principal amount payable for the series could not be determined.

Note 7 **DEFINED BENEFIT PENSION PLAN**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pensions. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

B. PLAN DESCRIPTION

The City participates in the following cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

General Employees Retirement Fund (GERF)

All full-time and certain part-time employees of the City are covered by the General Employees Retirement Fund (GERF). GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

C. BENEFITS PROVIDED

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90 percent funded for two consecutive years are given 2.5% increases. Members in plans that have not exceeded 90% funded, or have fallen below 80%, are given 1% increases.

The benefit provisions stated in the following paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

GERF Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-

rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first ten years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first ten years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

D. CONTRIBUTIONS

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

GERF Contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.50%, respectively, of their annual covered salary in calendar year 2015. The City was required to contribute 11.78% of pay for Basic Plan members and 7.50% for Coordinated Plan members in calendar year 2015. The City's contributions to the GERF for the year ended December 31, 2015, were \$31,955. The City's contributions were equal to the required contributions as set by state statute.

E. PENSION COSTS

GERF Pension Costs

At December 31, 2015, the City reported a liability of \$373,141 for its proportionate share of the GERF's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2015, the City's proportion was .0072% which was a decrease of .0019% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the City recognized pension expense of \$27,351 for its proportionate share of the GERF's pension expense.

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

At December 31, 2015, the City reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$18,813
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	35,324	-
Changes in proportion	-	66,939
Contributions paid to PERA subsequent to the measurement date	17,121	-
Total	<u>\$52,445</u>	<u>\$85,752</u>

\$17,121 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2016	(\$19,753)
2017	(19,753)
2018	(19,753)
2019	8,831
2020	-
Thereafter	-

F. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75% per year
Active Member Payroll Growth	3.50% per year
Investment Rate of Return	7.90%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2000 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be 1% effective every January 1st until 2034, and 2.5% thereafter.

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of actuarial experience studies. The experience study in the GERP was for the period July 1, 2004, through June 30, 2008, with an update of economic assumptions in 2014.

There are no changes in actuarial assumptions in 2015.

The long-term expected rate of return on pension plan investments is 7.9%. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	45%	5.50%
International Stocks	15%	6.00%
Bonds	18%	1.45%
Alternative Assets	20%	6.40%
Cash	2%	0.50%

G. DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.9%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. PENSION LIABILITY SENSITIVITY

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate (6.9%)</u>	<u>Discount Rate (7.9%)</u>	<u>1% Increase in Discount Rate (8.9%)</u>
City's proportionate share of the GERP net pension liability	\$586,711	\$373,141	\$196,766

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

I. PENSION PLAN FIDUCIARY NET POSITION

Detailed information about each pension plan’s fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org.

Note 8 DEFINED CONTRIBUTION PLAN

Two Columbus city council members are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA. The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official’s employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (.0025) of the assets in each member’s account annually. Total contributions made by the City during fiscal year 2015 were:

<u>Contribution Amount</u>		<u>Percentage of Covered Payroll</u>		<u>Required Rate</u>
<u>Employee</u>	<u>Employer (Pension Expense)</u>	<u>Employee</u>	<u>Employer</u>	
\$420	\$420	5%	5%	

Note 9 INTERFUND RECEIVABLES/PAYABLES, LOANS AND TRANSFERS

Interfund transfers during 2015 are as follows:

	<u>Transfers In</u>					<u>Total</u>
	<u>Public Safety</u>	<u>Bonds of 2007B</u>	<u>EDA Quad Bond Reserve</u>	<u>EDA Land Refunding Escrow Fund</u>	<u>Nonmajor</u>	
Transfers out:						
General	\$ -	\$200,000	\$ -	\$ -	\$ -	\$200,000
EDA Quad Bond Reserve Fund	-	-	-	419,150	-	419,150
G.O. Tax Abatement Bond Fund	-	-	-	194	-	194
Nonmajor	6,000	-	142,675	-	69,801	218,476
Total	\$6,000	\$200,000	\$142,675	\$419,344	\$69,801	\$837,820

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Interfund transfers allow the City to allocate financial resources to the funds that receive benefit from services provided by another fund. All of the City's interfund transfers fall under that category.

Interfund due to/from as of December 31, 2015 are as follows:

	Due To Other Funds		
	EDA Quad Bond Reserve	Water Fund	Total
Due from other funds:			
General	\$1,007,416	\$686,049	\$1,693,465
Total	\$1,007,416	\$686,049	\$1,693,465

Note 10 CONTINGENCIES

FEDERAL AND STATE FUNDS

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. 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 December 31, 2015.

Note 11 FUND BALANCE

A. CLASSIFICATIONS

At December 31, 2015, a summary of the governmental fund balance classifications are as follows:

	Nonspendable	Restricted for		Committed to				Charitable Gambling	Economic Development	Unassigned	Total
		Debt Service	Public Works	Public Safety	Parks	Watershed					
General Fund	\$1,693,465	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,029,369	\$2,722,834
Major Special Revenue Funds:											
Public Works	-	-	502,550	-	-	-	-	-	-	-	502,550
Public Safety	-	-	-	530,038	-	-	-	-	-	-	530,038
Blacktop Maintenance	-	-	587,080	-	-	-	-	-	-	-	587,080
Major Debt Service Funds:											
Bonds of 2012A - Refunding Portion	-	423,125	-	-	-	-	-	-	-	-	423,125
Bonds of 2007B	-	170,289	-	-	-	-	-	-	-	-	170,289
Major Capital Projects Funds:											
EDA Quad 35 Project Fund	-	2,919,208	-	-	-	-	-	-	-	-	2,919,208
EDA Quad Bond/Reserve Fund	-	-	-	-	-	-	-	-	(1,007,416)	-	(1,007,416)
G.O. Tax Abatement	-	55,176	-	-	-	-	-	-	-	-	55,176
EDA Land Refunding Escrow	-	479	-	-	-	-	-	-	-	-	479
Nonmajor Funds	-	550,371	384,549	14,022	104,645	8,300	17,548	38,420	-	-	1,117,855
Total	\$1,693,465	\$4,118,648	\$1,474,179	\$544,060	\$104,645	\$8,300	\$17,548	\$38,420	\$21,953	\$8,021,218	

B. MINIMUM COMMITTED AND UNASSIGNED FUND BALANCE

The City council has formally adopted a policy regarding the fund balance for the General, Special Revenue and Capital Projects Funds. The most significant revenue source of the General Fund is property taxes. This revenue source is received in two installments during the year – June and December. As such, it is the City’s practice to begin each fiscal year with sufficient working capital to fund operations between each semi-annual receipt of property taxes.

The policy establishes a year-end target of 50% of the operating budget for the General.

At December 31, 2015, the targeted and actual fund balance was:

	<u>Target</u>	<u>Actual</u>
General Fund (unassigned)	\$523,665	\$1,029,369

Note 12 COMMITMENTS AND CONTINGENCIES

A. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the City carries commercial insurance policies. The City retains risk for the deductible portions of the insurance policies. The amount of these deductibles is considered immaterial to the financial statements.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

B. LITIGATION

Management has indicated that existing and pending lawsuits, claims and other actions in which the City is a defendant are either covered by insurance; of an immaterial amount; or, remotely recoverable by plaintiffs, with the exception of property tax and assessment appeals. The outcome of these appeals cannot be determined at this time.

Note 13 OPERATING LEASES - LESSOR

The City received revenue from an agreement for the lease of land for antennas. The term of the lease is five years. The lease calls for monthly payments of \$1,200 in years one and two and a 3% increase in years three through five. During 2013, the City amended the original lease to extend the term for an additional 5 years. The monthly payments will continue to increase by 3% for the years 2015 – 2019.

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Remaining future minimum lease payments to be received are as follows:

2016	\$17,194
2017	17,710
2018	18,241
2019	<u>18,789</u>
Total	<u>\$71,934</u>

Note 14 RECENTLY ISSUED ACCOUNTING STANDARDS

The Governmental Accounting Standards Boards (GASB) recently approved the following statements which were not implemented for these financial statements:

Statement No. 72 *Fair Value Measurement and Application*. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015.

Statement No. 73 *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The provisions in Statement 73 are effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016.

Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016.

Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017.

Statement No. 76 *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The provisions in Statement 76 are effective for reporting periods beginning after June 15, 2015.

Statement No. 77 *Tax Abatement Disclosures*. The provisions of this Statement are effective for reporting periods beginning after December 31, 2015.

Statement No. 78 *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The provisions of this Statement are effective for reporting periods beginning after December 15, 2015.

Statement No. 79 *Certain External Investment Pools and Pool Participants*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing which are effective for reporting periods beginning after December 15, 2015.

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Statement No. 80 *Blending Requirements for Certain Component Units.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2016.

Statement No. 81 *Irrevocable Split-Interest Agreements.* The provisions of this Statement are effective for reporting periods beginning after December 15, 2016.

The effect these standards may have on future financial statements is not determinable at this time.

Note 15 DEFICIT FUND BALANCE

The City has a deficit fund balance at December 31, 2015 as follows:

<u>Fund</u>	<u>Amount</u>
(481/482) EDA Quad Bond/Reserve Fund	<u><u>(\$1,007,416)</u></u>

Note 16 CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. GASB 68 addresses accounting and financial reporting for pension plans that are provided to employees of state and local governments. The standard requires the City to record its share of the net pension liability of defined benefit plans, as well as any corresponding deferred inflows and outflows of resources. See Note 7 for further information.

The standard required retroactive implementation which resulted in a restatement of net position as of December 31, 2014. Certain amounts necessary to fully restate 2014 financial information are not determinable, therefore, prior year comparative amounts have not been restated. Details of the prior period adjustment are as follows:

	<u>Governmental Activities</u>
Net position - January 1, 2015, as previously reported	\$9,786,504
Prior period adjustment:	
Deferred outflows of resources - pension related	16,420
Net pension liability	<u>(427,472)</u>
Net position - January 1, 2015, as restated	<u><u>\$9,375,452</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF COLUMBUS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For The Year Ended December 31, 2015
 With Comparative Actual Amounts For The Year Ended December 31, 2014

	Budgeted Amounts		2015 Actual Amounts	Variance with Final Budget - Positive (Negative)	2014 Actual Amounts
	Original	Final			
Revenues:					
Property taxes	\$851,498	\$851,498	\$855,346	\$3,848	\$775,615
Licenses and permits	79,925	79,925	93,295	13,370	129,599
Intergovernmental:					
State:					
PERA aid	458	458	458	-	458
Property tax credits and aids	-	-	5,987	5,987	4,496
County:					
Recycling	17,000	17,000	18,808	1,808	18,356
Other	-	-	4,199	4,199	17,989
Total intergovernmental	17,458	17,458	29,452	11,994	41,299
Investment income	2,200	2,200	3,836	1,636	4,040
Contributions and donations	10,000	10,000	9,900	(100)	9,900
Miscellaneous:					
Public hearing	-	-	1,550	1,550	1,150
County fine revenues	32,000	32,000	34,505	2,505	31,411
Title searches and plats	50	50	857	807	290
Senior center board	3,500	3,500	4,014	514	3,515
Cable TV franchise fees	12,000	12,000	14,231	2,231	13,355
Refunds and reimbursements	-	-	12,694	12,694	8,748
Other	8,200	8,200	65,269	57,069	12,450
Total miscellaneous	55,750	55,750	133,120	77,370	70,919
Total revenues	1,016,831	1,016,831	1,124,949	108,118	1,031,372
Expenditures:					
General government:					
General:					
Office and computer supplies	12,800	12,800	12,320	480	11,042
Postage	1,500	1,500	1,458	42	1,509
Mileage	1,500	1,500	1,169	331	1,189
Dues	4,500	4,500	4,329	171	4,439
Legal notices and ads	2,200	2,200	2,080	120	2,076
Copy machine	2,000	2,000	1,753	247	1,739
Seminars/publications	2,000	2,000	2,244	(244)	1,833
Community events	1,000	1,000	716	284	3,060
Truth in taxation	2,000	2,000	1,621	379	1,761
Miscellaneous	353,300	353,300	7,030	346,270	15,024
Cable franchise reimbursement	12,000	12,000	11,701	299	12,956
Total general	394,800	394,800	46,421	348,379	56,628

CITY OF COLUMBUS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For The Year Ended December 31, 2015
 With Comparative Actual Amounts For The Year Ended December 31, 2014

	Budgeted Amounts		2015 Actual Amounts	Variance with Final Budget - Positive (Negative)	2014 Actual Amounts
	Original	Final			
Expenditures: (continued)					
General government: (continued)					
Payroll expenses:					
City Council	\$23,550	\$23,550	\$17,913	\$5,637	\$22,610
Administrative wages	231,500	231,500	210,829	20,671	222,408
Medical insurance	30,600	30,600	23,410	7,190	26,595
PERA, FICA, DCP	38,925	38,925	34,708	4,217	35,759
Total payroll expenses	<u>324,575</u>	<u>324,575</u>	<u>286,860</u>	<u>37,715</u>	<u>307,372</u>
Other general government expenses:					
Bank charges	1,200	1,200	1,577	(377)	1,432
Audit	24,000	24,000	29,367	(5,367)	23,548
Engineer:					
General	8,000	8,000	24,130	(16,130)	24,589
Reimbursable	-	-	8,655	(8,655)	8,766
Attorney:					
Criminal	18,000	18,000	15,911	2,089	18,090
Civil	60,000	60,000	61,565	(1,565)	68,966
Reimbursable	-	-	1,476	(1,476)	8,889
Planning:					
Planning commission	2,500	2,500	2,300	200	1,455
Planner	5,000	5,000	9,600	(4,600)	4,122
Reimbursable	-	-	16,355	(16,355)	14,135
Comp plan and ordinances	10,000	10,000	21,211	(11,211)	12,147
Assessor	21,500	21,500	21,516	(16)	21,324
Tax appeals	4,000	4,000	5,190	(1,190)	8,949
City Hall:					
Electricity, phone, heating, maint.	38,400	38,400	28,541	9,859	28,997
Senior center	6,500	6,500	1,661	4,839	13,898
Recycling	10,000	10,000	8,044	1,956	5,727
Youth service and other services	356	356	-	356	712
Total other general government	<u>209,456</u>	<u>209,456</u>	<u>257,099</u>	<u>(47,643)</u>	<u>265,746</u>
Total general government - current	<u>928,831</u>	<u>928,831</u>	<u>590,380</u>	<u>338,451</u>	<u>629,746</u>
Capital outlay - general government	4,000	4,000	-	4,000	500
Total general government	<u>932,831</u>	<u>932,831</u>	<u>590,380</u>	<u>342,451</u>	<u>630,246</u>

CITY OF COLUMBUS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For The Year Ended December 31, 2015
 With Comparative Actual Amounts For The Year Ended December 31, 2014

	Budgeted Amounts		2015 Actual Amounts	Variance with Final Budget - Positive (Negative)	2014 Actual Amounts
	Original	Final			
Expenditures: (continued)					
Public safety:					
Animal control	\$7,000	\$7,000	\$423	\$6,577	(\$42)
Building inspector	75,650	75,650	63,158	12,492	64,629
Building permit surcharge	-	-	2,381	(2,381)	4,286
Miscellaneous	1,350	1,350	132	1,218	282
Total public safety	<u>84,000</u>	<u>84,000</u>	<u>66,094</u>	<u>17,906</u>	<u>69,155</u>
Total expenditures	<u>1,016,831</u>	<u>1,016,831</u>	<u>656,474</u>	<u>360,357</u>	<u>699,401</u>
Revenues over expenditures	0	0	468,475	468,475	331,971
Other financing sources (uses):					
Transfers in	-	-	-	-	100,000
Transfers out	-	-	(200,000)	(200,000)	(206,355)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>(106,355)</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	268,475	<u>\$268,475</u>	225,616
Fund balance - January 1			<u>2,454,359</u>		<u>2,228,743</u>
Fund balance - December 31			<u>\$2,722,834</u>		<u>\$2,454,359</u>

CITY OF COLUMBUS, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 11

BUDGETARY COMPARISON SCHEDULE - PUBLIC WORKS SPECIAL REVENUE FUND

For The Year Ended December 31, 2015

With Comparative Actual Amounts For The Year Ended December 31, 2014

	Budgeted Amounts		2015 Actual Amounts	Variance with Final Budget - Positive (Negative)	2014 Actual Amounts
	Original	Final			
Revenues:					
Property taxes	\$446,642	\$446,642	\$443,944	(\$2,698)	\$443,594
Intergovernmental:					
State	458	458	458	-	458
Investment income	1,600	1,600	1,247	(353)	1,665
Miscellaneous:					
Other	1,000	1,000	4,463	3,463	17,388
Total revenues	<u>449,700</u>	<u>449,700</u>	<u>450,112</u>	<u>412</u>	<u>463,105</u>
Expenditures:					
Public works:					
Wages and benefits:					
Salaries	205,000	205,000	186,115	18,885	205,006
Payroll taxes and fringe	59,975	59,975	54,335	5,640	55,943
Workers comp insurance	14,000	14,000	14,501	(501)	14,474
Shop expenses:					
Insurance	12,000	12,000	9,686	2,314	9,764
Utilities	19,700	19,700	13,793	5,907	18,517
Supplies	5,000	5,000	3,919	1,081	3,362
Gas, oil and fuel	26,000	26,000	15,927	10,073	26,337
Equipment repair and maintenance	20,000	20,000	20,085	(85)	26,061
Cutting edges and small tools	4,500	4,500	5,649	(1,149)	4,514
Building maintenance and other	2,125	2,125	3,781	(1,656)	2,752
Road repair and maintenance:					
Salt and sand	16,000	16,000	8,773	7,227	19,471
Calcium chloride	35,000	35,000	33,812	1,188	35,637
Culverts	5,000	5,000	2,132	2,868	4,298
Street signs and posts	8,000	8,000	2,728	5,272	5,022
Subcontracting and miscellaneous	17,400	17,400	13,933	3,467	22,976
Total expenditures	<u>449,700</u>	<u>449,700</u>	<u>389,169</u>	<u>60,531</u>	<u>454,134</u>
Revenues over expenditures	0	0	60,943	60,943	8,971
Other financing sources (uses):					
Transfers out	-	-	-	-	(100,000)
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	<u>60,943</u>	<u>\$60,943</u>	<u>(91,029)</u>
Fund balance - January 1			<u>441,607</u>		<u>532,636</u>
Fund balance - December 31			<u>\$502,550</u>		<u>\$441,607</u>

CITY OF COLUMBUS, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 12

BUDGETARY COMPARISON SCHEDULE - BLACKTOP MAINTENANCE SPECIAL REVENUE FUND

For The Year Ended December 31, 2015

With Comparative Actual Amounts For The Year Ended December 31, 2014

	Budgeted Amounts		2015 Actual Amounts	Variance with Final Budget - Positive (Negative)	2014 Actual Amount
	Original	Final			
Revenues:					
General property taxes	\$270,360	\$270,360	\$268,727	(\$1,633)	\$189,968
Intergovernmental	-	-	31,117	31,117	-
Investment income	2,000	2,000	2,625	625	2,533
Total revenues	<u>272,360</u>	<u>272,360</u>	<u>302,469</u>	<u>30,109</u>	<u>192,501</u>
Expenditures:					
Public works:					
Blacktop maintenance	<u>272,360</u>	<u>272,360</u>	<u>818,713</u>	<u>(546,353)</u>	<u>94,633</u>
Revenues over (under) expenditures	<u>\$0</u>	<u>\$0</u>	(516,244)	<u>(\$516,244)</u>	97,868
Fund balance - January 1			<u>1,103,324</u>		<u>1,005,456</u>
Fund balance - December 31			<u>\$587,080</u>		<u>\$1,103,324</u>

CITY OF COLUMBUS, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 13

BUDGETARY COMPARISON SCHEDULE - PUBLIC SAFETY SPECIAL REVENUE FUND

For The Year Ended December 31, 2015

With Comparative Actual Amounts For The Year Ended December 31, 2014

	Budgeted Amounts		2015 Actual Amounts	Variance with Final Budget - Positive (Negative)	2014 Actual Amounts
	Original	Final			
Revenues:					
General property taxes	\$402,200	\$402,200	\$399,769	(\$2,431)	\$422,991
Investment income	400	400	1,353	953	1,443
Contributions and donations	55,500	55,500	55,500	-	55,500
Miscellaneous	5,800	5,800	6,050	250	23,973
Total revenues	<u>463,900</u>	<u>463,900</u>	<u>462,672</u>	<u>(1,228)</u>	<u>503,907</u>
Expenditures:					
Other:					
Fire protection	<u>469,900</u>	<u>469,900</u>	<u>438,612</u>	<u>31,288</u>	<u>464,165</u>
Revenues over (under) expenditures	(6,000)	(6,000)	24,060	30,060	39,742
Other financing sources:					
Transfers in	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	30,060	<u>\$30,060</u>	39,742
Fund balance - January 1			<u>499,978</u>		<u>460,236</u>
Fund balance - December 31			<u>\$530,038</u>		<u>\$499,978</u>

CITY OF COLUMBUS, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY* -
 GENERAL EMPLOYEES RETIREMENT FUND
 For The Year Ended December 31, 2015

Statement 14

<u>Measurement Date</u>	<u>Fiscal Year Ending</u>	<u>Proportion (Percentage) of the Net Pension Liability</u>	<u>Proportionate Share (Amount) of the Net Pension Liability (a)</u>	<u>Covered-Employee Payroll (b)</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll (a/b)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
June 30, 2015	December 31, 2015	0.7200%	\$373,141	\$424,273	87.9%	78.2%

* The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

CITY OF COLUMBUS, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PENSION CONTRIBUTIONS* - GENERAL EMPLOYEES RETIREMENT FUND

For The Year Ended December 31, 2015

Statement 15

<u>Fiscal Year Ending</u>	<u>Statutorily Required Contribution (a)</u>	<u>Contributions in Relation to the Statutorily Required Contribution (b)</u>	<u>Contribution Deficiency (Excess) (a-b)</u>	<u>Covered- Employee Payroll (c)</u>	<u>Contributions as a Percentage of Covered-Employee Payroll (b/c)</u>
December 31, 2015	\$31,955	\$31,955	\$ -	\$426,065	7.5%

* The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

CITY OF COLUMBUS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2015

Note A LEGAL COMPLIANCE – BUDGETS

The General and major Special Revenue Funds budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the department level for the General Fund and at the fund level for the major Special Revenue Funds.

Note B PENSION INFORMATION

PERA – General Employees Retirement Fund

There are no factors that affect trends in the amounts reported, such as change of benefit terms or assumptions. With only one year reported in the RSI, there is no additional information to include in the notes. Details can be obtained from the financial reports of PERA.

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND
SCHEDULES**

CITY OF COLUMBUS, MINNESOTA**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND****Statement 16**

For the Year Ended December 31, 2015

With Comparative Amounts For the Year Ended December 31, 2014

	<u>2015</u>	<u>2014</u>
Revenues:		
Property taxes	\$855,346	\$775,615
Licenses and permits	93,295	129,599
Intergovernmental	29,452	41,299
Investment income	3,836	4,040
Contributions and donations	9,900	9,900
Miscellaneous	133,120	70,919
Total revenues	<u>1,124,949</u>	<u>1,031,372</u>
Expenditures:		
Current:		
General government	590,380	629,746
Public safety	66,094	69,155
Capital outlay	-	500
Total expenditures	<u>656,474</u>	<u>699,401</u>
Revenues over expenditures	468,475	331,971
Other financing sources (uses):		
Transfers in	-	100,000
Transfers out	(200,000)	(206,355)
Total other financial sources (uses)	<u>(200,000)</u>	<u>(106,355)</u>
Net change in fund balance	268,475	225,616
Fund balance - January 1	<u>2,454,359</u>	<u>2,228,743</u>
Fund balance - December 31	<u><u>\$2,722,834</u></u>	<u><u>\$2,454,359</u></u>

CITY OF COLUMBUS, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2015

Statement 17

Assets	Special Revenue	Debt Service	Capital Project	Totals Nonmajor Governmental Funds
Cash and investments	\$272,696	\$545,622	\$288,634	\$1,106,952
Property taxes receivable	5,671	4,749	2,041	12,461
Special assessments receivable	-	326,212	-	326,212
Total assets	\$278,367	\$876,583	\$290,675	\$1,445,625
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities:				
Accounts payable	\$1,558	\$ -	\$ -	\$1,558
Total liabilities	1,558	0	0	1,558
Deferred inflows of resources:				
Unavailable revenue	-	326,212	-	326,212
Total deferred inflows of resources	0	326,212	0	326,212
Fund balance:				
Restricted	-	550,371	-	550,371
Committed	276,809	-	290,675	567,484
Total fund balance	276,809	550,371	290,675	1,117,855
Total liabilities, deferred inflows of resources, and fund balance	\$278,367	\$876,583	\$290,675	\$1,445,625

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CITY OF COLUMBUS, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2015

Statement 18

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental Funds
Revenues:				
General property taxes	\$241,081	\$194,317	\$83,387	\$518,785
Intergovernmental	43,029	-	-	43,029
Special assessments	-	100,294	-	100,294
Investment income	706	846	1,177	2,729
Contributions and donations	19,350	-	-	19,350
Miscellaneous	21,682	-	12,687	34,369
Total revenues	<u>325,848</u>	<u>295,457</u>	<u>97,251</u>	<u>718,556</u>
Expenditures:				
Current:				
Public safety	90,268	-	-	90,268
Public works	8,889	-	-	8,889
Parks and recreation	37,529	-	-	37,529
Economic development	25,705	-	-	25,705
Capital outlay	-	-	161,812	161,812
Debt service:				
Principal	-	157,000	-	157,000
Interest and other	-	70,594	-	70,594
Fiscal and other charges	-	900	-	900
Total expenditures	<u>162,391</u>	<u>228,494</u>	<u>161,812</u>	<u>552,697</u>
Revenues over expenditures	<u>163,457</u>	<u>66,963</u>	<u>(64,561)</u>	<u>165,859</u>
Other financing sources (uses):				
Transfers in	2,000	67,801	-	69,801
Transfers out	(148,675)	(2,000)	(67,801)	(218,476)
Total other financing sources (uses)	<u>(146,675)</u>	<u>65,801</u>	<u>(67,801)</u>	<u>(148,675)</u>
Net change in fund balance	16,782	132,764	(132,362)	17,184
Fund balance - January 1	<u>260,027</u>	<u>417,607</u>	<u>423,037</u>	<u>1,100,671</u>
Fund balance - December 31	<u><u>\$276,809</u></u>	<u><u>\$550,371</u></u>	<u><u>\$290,675</u></u>	<u><u>\$1,117,855</u></u>

CITY OF COLUMBUS, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2015

	(126) Transportation Studies	(150) Parks and Recreation Fund
Assets		
Cash and investments	\$137,696	\$73,188
Property taxes receivable	1,034	787
Total assets	\$138,730	\$73,975
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$120	\$44
Total liabilities	120	44
Fund balance:		
Committed	138,610	73,931
Total liabilities and fund balance	\$138,730	\$73,975

<u>(230) Charitable Gambling</u>	<u>(240) Economic Development Authority</u>	<u>(241) EDA HRA Levy</u>	<u>(250) Sunrise River WMO Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$17,548	\$35,500	\$658	\$8,106	\$272,696
-	1,769	1,887	194	5,671
<u>\$17,548</u>	<u>\$37,269</u>	<u>\$2,545</u>	<u>\$8,300</u>	<u>\$278,367</u>
\$ -	\$1,394	\$ -	\$ -	\$1,558
0	1,394	0	0	1,558
17,548	35,875	2,545	8,300	276,809
<u>\$17,548</u>	<u>\$37,269</u>	<u>\$2,545</u>	<u>\$8,300</u>	<u>\$278,367</u>

CITY OF COLUMBUS, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2015

	(126) Transportation Studies	(150) Parks and Recreation Fund
Revenues:		
General property taxes	\$42,243	\$32,166
Intergovernmental	31,029	-
Investment income	468	195
Contributions and donations	10,000	6,050
Miscellaneous	-	7,543
Total revenues	<u>83,740</u>	<u>45,954</u>
Expenditures:		
Current:		
Public safety	89,408	-
Public works	-	-
Parks and recreation	-	37,529
Economic development	-	-
Total expenditures	<u>89,408</u>	<u>37,529</u>
Revenues over (under) expenditures	<u>(5,668)</u>	<u>8,425</u>
Other financing sources (uses):		
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balance	(5,668)	8,425
Fund balance - January 1	<u>144,278</u>	<u>65,506</u>
Fund balance - December 31	<u><u>\$138,610</u></u>	<u><u>\$73,931</u></u>

<u>(230) Charitable Gambling</u>	<u>(240) Economic Development Authority</u>	<u>(241) EDA HRA Levy</u>	<u>(250) Sunrise River WMO Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$75,353	\$80,663	\$10,656	\$241,081
-	12,000	-	-	43,029
33	4	-	6	706
-	3,300	-	-	19,350
13,947	192	-	-	21,682
<u>13,980</u>	<u>90,849</u>	<u>80,663</u>	<u>10,662</u>	<u>325,848</u>
860	-	-	-	90,268
-	-	-	8,889	8,889
-	-	-	-	37,529
-	25,705	-	-	25,705
<u>860</u>	<u>25,705</u>	<u>0</u>	<u>8,889</u>	<u>162,391</u>
13,120	65,144	80,663	1,773	163,457
-	-	2,000	-	2,000
(6,000)	(61,300)	(81,375)	-	(148,675)
<u>(6,000)</u>	<u>(61,300)</u>	<u>(79,375)</u>	<u>-</u>	<u>(146,675)</u>
7,120	3,844	1,288	1,773	16,782
10,428	32,031	1,257	6,527	260,027
<u>\$17,548</u>	<u>\$35,875</u>	<u>\$2,545</u>	<u>\$8,300</u>	<u>\$276,809</u>

CITY OF COLUMBUS, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
December 31, 2015

	(310) 2010A Improvement Bonds	(314) Bonds of 2014 Road Improvements
Assets		
Cash and investments	\$80,722	\$199,199
Property taxes receivable	118	7
Special assessments receivable	100,149	217,347
Total assets	\$180,989	\$416,553
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities	\$ -	\$ -
Deferred inflows of resources:		
Unavailable revenue	100,149	217,347
Fund balance:		
Restricted	80,840	199,206
Total liabilities, deferred inflows of resources, and fund balance	\$180,989	\$416,553

(340) Hornsby Bond 2012A	(372) Bonds of 2007A	(375) Bond Reserve Fund	Total Nonmajor Debt Service Funds
\$124,857	\$123,105	\$17,739	\$545,622
1,572	3,052	-	4,749
-	-	8,716	326,212
<u>\$126,429</u>	<u>\$126,157</u>	<u>\$26,455</u>	<u>\$876,583</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	8,716	326,212
<u>126,429</u>	<u>126,157</u>	<u>17,739</u>	<u>550,371</u>
<u><u>\$126,429</u></u>	<u><u>\$126,157</u></u>	<u><u>\$26,455</u></u>	<u><u>\$876,583</u></u>

CITY OF COLUMBUS, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR DEBT SERVICE FUNDS
For The Year Ended December 31, 2015

	(310) 2010 A Improvement Bonds	(314) Bonds of 2014 Road Improvements
Revenues:		
General property taxes	\$681	\$ -
Special assessments	22,520	58,739
Investment income	207	219
Total revenues	<u>23,408</u>	<u>58,958</u>
Expenditures:		
Debt service:		
Principal	27,000	-
Interest and other	8,362	9,507
Fiscal and other charges	-	450
Total expenditures	<u>35,362</u>	<u>9,957</u>
Revenues over (under) expenditures	<u>(11,954)</u>	<u>49,001</u>
Other financing sources (uses):		
Transfers in	-	67,801
Transfers out	-	-
Total other financing sources (uses)	<u>-</u>	<u>67,801</u>
Net change in fund balance	(11,954)	116,802
Fund balance - January 1	<u>92,794</u>	<u>82,404</u>
Fund balance - December 31	<u><u>\$80,840</u></u>	<u><u>\$199,206</u></u>

(340) Hornsby Bond 2012A	(372) Bonds of 2007A	(375) Bond Reserve Fund	Total Nonmajor Debt Service Funds
\$65,836	\$127,800	\$ -	\$194,317
-	-	19,035	100,294
215	131	74	846
<u>66,051</u>	<u>127,931</u>	<u>19,109</u>	<u>295,457</u>
45,000	85,000	-	157,000
17,295	35,430	-	70,594
-	450	-	900
<u>62,295</u>	<u>120,880</u>	<u>0</u>	<u>228,494</u>
<u>3,756</u>	<u>7,051</u>	<u>19,109</u>	<u>66,963</u>
-	-	-	67,801
-	-	(2,000)	(2,000)
-	-	(2,000)	65,801
3,756	7,051	17,109	132,764
<u>122,673</u>	<u>119,106</u>	<u>630</u>	<u>417,607</u>
<u>\$126,429</u>	<u>\$126,157</u>	<u>\$17,739</u>	<u>\$550,371</u>

CITY OF COLUMBUS, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
December 31, 2015

	<u>(401) Road & Bridge Capital Fund</u>	<u>(402) Fire Hall Capital Fund</u>
Assets		
Cash and investments	\$243,983	\$13,998
Property taxes receivable	<u>1,956</u>	<u>24</u>
Total assets	<u><u>\$245,939</u></u>	<u><u>\$14,022</u></u>
Liabilities and Fund Balance		
Liabilities	<u>\$ -</u>	<u>\$ -</u>
Fund balance (deficit):		
Committed	<u>245,939</u>	<u>14,022</u>
Total fund balance (deficit)	<u><u>245,939</u></u>	<u><u>14,022</u></u>
Total liabilities and fund balance	<u><u>\$245,939</u></u>	<u><u>\$14,022</u></u>

(403) Park Capital Expenditure Fund	(404) Park Land Fund	(414) 2014 Road Improvement	Total Nonmajor Capital Project Funds
\$20,241 61	\$10,412 -	\$ - -	\$288,634 2,041
<u>\$20,302</u>	<u>\$10,412</u>	<u>\$0</u>	<u>\$290,675</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>20,302</u>	<u>10,412</u>	<u>-</u>	<u>290,675</u>
<u>20,302</u>	<u>10,412</u>	<u>0</u>	<u>290,675</u>
<u><u>\$20,302</u></u>	<u><u>\$10,412</u></u>	<u><u>\$0</u></u>	<u><u>\$290,675</u></u>

CITY OF COLUMBUS, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECT FUNDS
For The Year Ended December 31, 2015

	(401) Road & Bridge Capital Fund	(402) Fire Hall Capital Fund
Revenues:		
Taxes:		
General property taxes	\$79,908	\$994
Investment income	821	47
Miscellaneous	5,100	-
Total revenues	<u>85,829</u>	<u>1,041</u>
Expenditures:		
Public works:		
Capital outlay/project costs	147,436	2,837
Total expenditures	<u>147,436</u>	<u>2,837</u>
Revenues over (under) expenditures	<u>(61,607)</u>	<u>(1,796)</u>
Other financing sources (uses):		
Transfer out	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balance	(61,607)	(1,796)
Fund balance - January 1	<u>307,546</u>	<u>15,818</u>
Fund balance - December 31	<u><u>\$245,939</u></u>	<u><u>\$14,022</u></u>

(403) Park Capital Expenditure Fund	(404) Park Land Fund	(414) 2014 Road Improvement	Total Nonmajor Capital Project Funds
\$2,485	\$ -	\$ -	\$83,387
58	27	224	1,177
3,012	4,575	-	12,687
<u>5,555</u>	<u>4,602</u>	<u>224</u>	<u>97,251</u>
4,118	3,600	3,821	161,812
<u>4,118</u>	<u>3,600</u>	<u>3,821</u>	<u>161,812</u>
1,437	1,002	(3,597)	(64,561)
-	-	(67,801)	(67,801)
-	-	(67,801)	(67,801)
1,437	1,002	(71,398)	(132,362)
18,865	9,410	71,398	423,037
<u>\$20,302</u>	<u>\$10,412</u>	<u>\$0</u>	<u>\$290,675</u>

CITY OF COLUMBUS, MINNESOTA
SPECIAL REVENUE FUND - (126) TRANSPORTATION STUDIES
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2015

Statement 25

	2015			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
General property taxes	\$42,500	\$42,500	\$42,243	(\$257)
Intergovernmental	-	-	31,029	31,029
Contributions and donations	10,000	10,000	10,000	-
Investment income	-	-	468	468
Total revenues	<u>52,500</u>	<u>52,500</u>	<u>83,740</u>	<u>31,240</u>
Expenditures:				
Public safety:				
Traffic control devices	<u>52,500</u>	<u>52,500</u>	<u>89,408</u>	<u>(36,908)</u>
Revenues over (under) expenditures	<u>\$0</u>	<u>\$0</u>	(5,668)	<u>(\$5,668)</u>
Fund balance - January 1			<u>144,278</u>	
Fund balance - December 31			<u>\$138,610</u>	

CITY OF COLUMBUS, MINNESOTA
SPECIAL REVENUE FUND - (150) PARKS AND RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2015

Statement 26

	2015			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
General property taxes	\$32,361	\$32,361	\$32,166	(\$195)
Investment income	100	100	195	95
Contributions and donations	6,000	6,000	6,050	50
Miscellaneous	6,400	6,400	7,543	1,143
Total revenues	<u>44,861</u>	<u>44,861</u>	<u>45,954</u>	<u>1,093</u>
Expenditures:				
Parks and recreation	<u>44,861</u>	<u>44,861</u>	<u>37,529</u>	<u>7,332</u>
Revenues over expenditures	<u>\$0</u>	<u>\$0</u>	8,425	<u>\$8,425</u>
Fund balance - January 1			<u>65,506</u>	
Fund balance - December 31			<u><u>\$73,931</u></u>	

CITY OF COLUMBUS, MINNESOTA
SPECIAL REVENUE FUND - (240) ECONOMIC DEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2015

Statement 27

	2015			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
General property taxes	\$76,050	\$76,050	\$75,353	(\$697)
Intergovernmental	-	-	12,000	12,000
Investment income	-	-	4	4
Contributions and donations	3,300	3,300	3,300	-
Miscellaneous	150	150	192	42
Total revenues	<u>79,500</u>	<u>79,500</u>	<u>90,849</u>	<u>11,349</u>
Expenditures:				
Economic development	18,200	18,200	25,705	(7,505)
Revenues over expenditures	61,300	61,300	65,144	3,844
Other financing sources (uses):				
Transfers out	(61,300)	(61,300)	(61,300)	-
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	3,844	<u>\$3,844</u>
Fund balance - January 1			<u>32,031</u>	
Fund balance - December 31			<u>\$35,875</u>	

CITY OF COLUMBUS, MINNESOTA
SPECIAL REVENUE FUND - (241) EDA HRA LEVY
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2015

Statement 28

	2015			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
General property taxes	\$81,375	\$81,375	\$80,663	(\$712)
Total revenues	<u>81,375</u>	<u>81,375</u>	<u>80,663</u>	<u>(712)</u>
Expenditures:				
Public works	-	-	-	-
Revenues over (under) expenditures	81,375	81,375	80,663	(712)
Other financing sources (uses):				
Transfers in	-	-	2,000	2,000
Transfers out	(81,375)	(81,375)	(81,375)	-
Total other financing sources (uses)	<u>(81,375)</u>	<u>(81,375)</u>	<u>(79,375)</u>	<u>2,000</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	1,288	<u>\$1,288</u>
Fund balance - January 1			<u>1,257</u>	
Fund balance - December 31			<u>\$2,545</u>	

CITY OF COLUMBUS, MINNESOTA
SPECIAL REVENUE FUND - (250) SUNRISE RIVER WMO FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2015

Statement 29

	2015			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
General property taxes	\$10,760	\$10,760	\$10,656	(\$104)
Investment income	-	-	6	6
Total revenues	<u>10,760</u>	<u>10,760</u>	<u>10,662</u>	<u>(98)</u>
Expenditures:				
Public works	<u>10,760</u>	<u>10,760</u>	<u>8,889</u>	<u>1,871</u>
Revenues over expenditures	<u>\$0</u>	<u>\$0</u>	1,773	<u>\$1,773</u>
Fund balance - January 1			<u>6,527</u>	
Fund balance - December 31			<u>\$8,300</u>	

CITY OF COLUMBUS, MINNESOTA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
For The Year Ended December 31, 2015

Statement 30

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>General Escrow Agency Fund:</u>				
Assets:				
Cash and investments	\$19,750	\$ -	(\$13,000)	\$6,750
Total assets	<u>\$19,750</u>	<u>\$0</u>	<u>(\$13,000)</u>	<u>\$6,750</u>
Liabilities:				
Deposits payable	\$19,750	\$ -	(\$13,000)	\$6,750
Total liabilities	<u>\$19,750</u>	<u>\$0</u>	<u>(\$13,000)</u>	<u>\$6,750</u>

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