

**CITY OF COLUMBUS, MINNESOTA**

**ANNUAL FINANCIAL REPORT**

December 31, 2014

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**CITY OF COLUMBUS, MINNESOTA**  
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## **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
Jessie Messina	December 31, 2014

**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, 2014, 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, 2014, 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.

### ***Report on Summarized Comparative Information***

We have previously audited the City of Columbus, Minnesota's 2013 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 4, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013 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 and the budgetary comparison information on pages 11-17 and 58-63 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 12, 2015, 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 12, 2015

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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, 2014.

### Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$17,808,317 (net position). The components of net position are as follows:

Net investment in capital assets	12,675,718
Restricted for debt service	1,141,787
Unrestricted	3,990,812

- At the end of the current fiscal year the governmental fund balance was \$8,630,843, a decrease of \$2,009,880. The decrease is primarily related to the refunding bond and new bond issuance.
- The City had debt outstanding of \$13,162,589 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.

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

## Management's Discussion and Analysis

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 resource, 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 nine 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, Public Safety Special Revenue Fund, Bonds of 2004 Debt Service Fund, Bonds of 2012A- Refunding Portion Debt Service Fund, Bonds of 2005A Debt Service Fund, Bonds of 2007B, the EDA Quad 35 Project Fund, and the EDA Quad Bond/Reserve Fund, which are considered to be major funds.

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

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.

## Management's Discussion and Analysis

**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 13 through 27 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 \$17,808,317 at the close of the most recent fiscal year.

A portion of the City's net position (\$12,675,718) 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	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$15,832,728	\$17,903,460	(\$634,935)	\$102,633	\$15,197,793	\$18,006,093
Capital assets	7,458,762	7,245,302	8,658,955	8,856,695	16,117,717	16,101,997
Total assets	<u>\$23,291,490</u>	<u>\$25,148,762</u>	<u>\$8,024,020</u>	<u>\$8,959,328</u>	<u>\$31,315,510</u>	<u>\$34,108,090</u>
Long-term liabilities outstanding	\$7,798,296	\$12,776,925	\$ -	\$ -	\$7,798,296	\$12,776,925
Other liabilities	5,706,690	3,443,436	2,207	973,554	5,708,897	4,416,990
Total liabilities	<u>\$13,504,986</u>	<u>\$16,220,361</u>	<u>\$2,207</u>	<u>\$973,554</u>	<u>\$13,507,193</u>	<u>\$17,193,915</u>
Net position:						
Net investment in capital assets	\$4,016,763	\$3,811,274	\$8,658,955	\$8,653,273	\$12,675,718	\$12,464,547
Restricted for debt service	1,141,787	921,281	-	-	1,141,787	921,281
Unrestricted	4,627,954	4,195,846	(637,142)	(667,499)	3,990,812	3,528,347
Total net position	<u>\$9,786,504</u>	<u>\$8,928,401</u>	<u>\$8,021,813</u>	<u>\$7,985,774</u>	<u>\$17,808,317</u>	<u>\$16,914,175</u>

## Management's Discussion and Analysis

### Governmental Activities

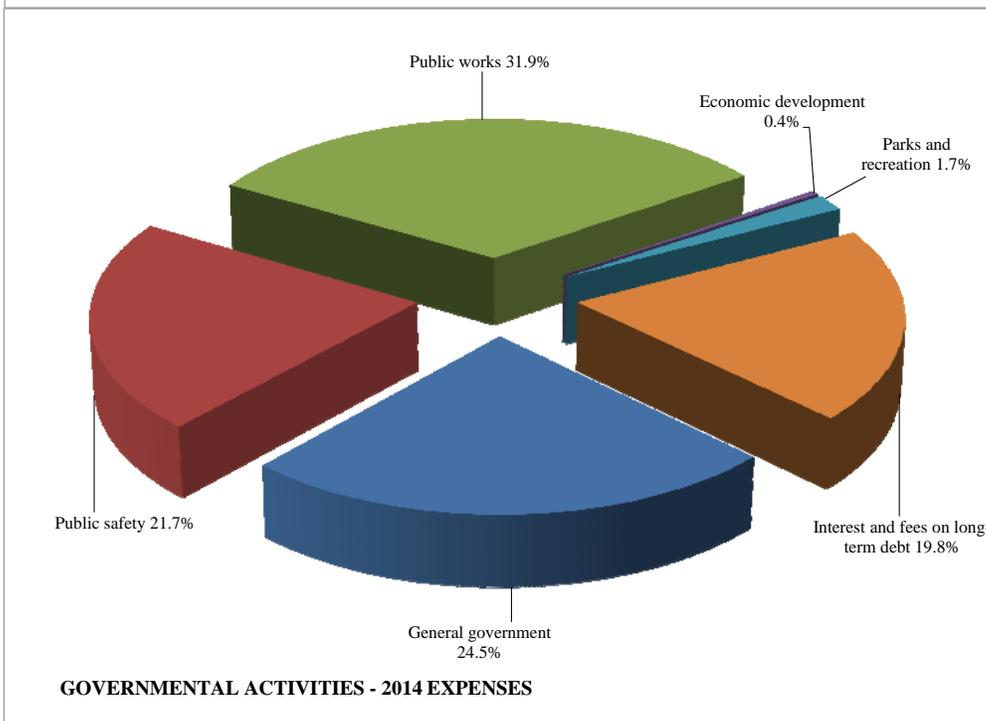
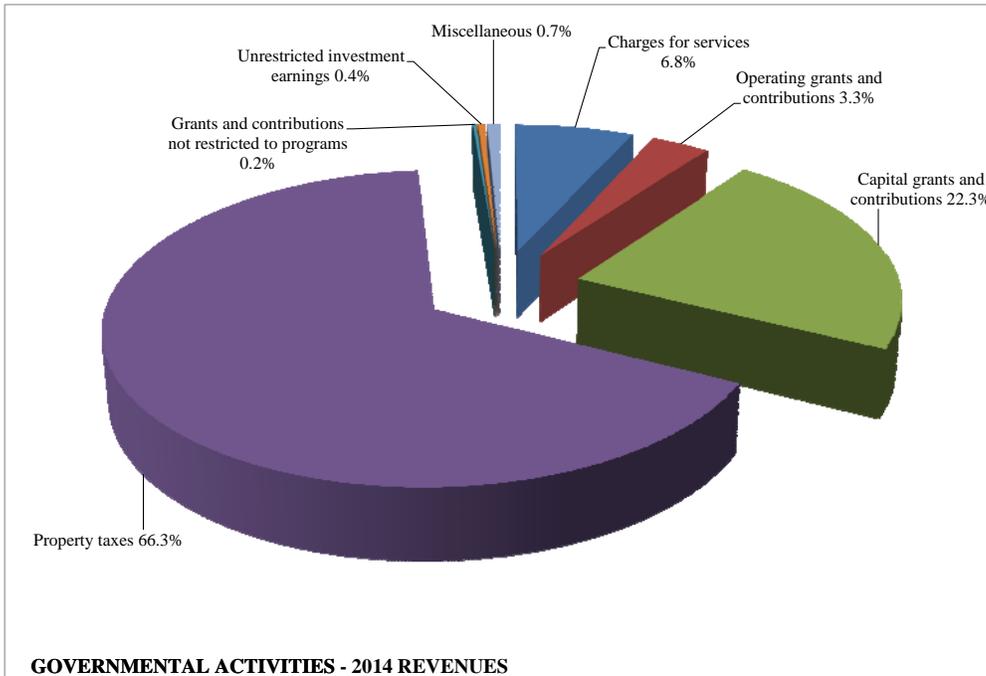
Governmental activities resulted in an increase of the City's net position by \$596,367. The details of the increase are as follows:

#### City of Columbus, Minnesota's Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Program revenues:						
Charges for services	\$235,701	\$240,079	\$88,476	\$194,365	\$324,177	\$434,444
Operating grants and contributions	115,045	123,964	-	-	115,045	123,964
Capital grants and contributions	766,490	552,827	215,424	236,592	981,914	789,419
General revenues:						
Property taxes	2,279,389	2,053,939	-	-	2,279,389	2,053,939
Grants and contributions not restricted to programs	5,412	4,801	-	-	5,412	4,801
Unrestricted investment earnings	14,339	17,510	230	146	14,569	17,656
Miscellaneous	25,612	6,791	-	-	25,612	6,791
Total revenues	<u>3,441,988</u>	<u>2,999,911</u>	<u>304,130</u>	<u>431,103</u>	<u>3,746,118</u>	<u>3,431,014</u>
Expenses:						
General	633,364	648,818	-	-	633,364	648,818
Public safety	560,516	536,782	-	-	560,516	536,782
Public works	823,710	766,516	-	-	823,710	766,516
Economic development	9,595	15,217	-	-	9,595	15,217
Parks and recreation	44,426	45,296	-	-	44,426	45,296
Sewer	-	-	132,355	161,097	132,355	161,097
Water	-	-	135,736	145,726	135,736	145,726
Interest and fees on long-term debt	512,274	751,606	-	-	512,274	751,606
Total expenses	<u>2,583,885</u>	<u>2,764,235</u>	<u>268,091</u>	<u>306,823</u>	<u>2,851,976</u>	<u>3,071,058</u>
Change in net position before transfers	858,103	235,676	36,039	124,280	894,142	359,956
Transfers	-	-	-	-	-	-
Change in net position	858,103	235,676	36,039	124,280	894,142	359,956
Net position - January 1, as previously reported	8,928,401	8,113,005	7,985,774	7,861,494	16,914,175	15,974,499
Prior period adjustment	-	579,720	-	-	-	579,720
Net position - January 1, as restated	<u>8,928,401</u>	<u>8,692,725</u>	<u>7,985,774</u>	<u>7,861,494</u>	<u>16,914,175</u>	<u>16,554,219</u>
Net position - December 31	<u>\$9,786,504</u>	<u>\$8,928,401</u>	<u>\$8,021,813</u>	<u>\$7,985,774</u>	<u>\$17,808,317</u>	<u>\$16,914,175</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 \$8,630,843.

The General Fund increased by \$225,616 in 2014.

### **Budgetary Highlights**

**General Fund.** The City budgeted for an increase in fund balance of \$0. The actual increase was \$225,616, of which \$100,000 was a fund transfer from the Public Works Special Revenue Fund. Revenues were over budget by \$101,325 and expenses were under budget \$230,646.

### **Capital Asset and Debt Administration**

**Capital assets.** The City's net investment in capital assets as of December 31, 2014, amounts to \$12,675,718. This investment in capital assets is as follows.

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

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land (not depreciated)	\$532,802	\$355,786	\$ -	\$ -	\$532,802	\$355,786
Buildings	1,709,113	1,756,254	-	-	1,709,113	1,756,254
Roads	4,465,680	3,494,374	8,658,955	8,856,695	13,124,635	12,351,069
Vehicles and equipment	426,523	510,884	-	-	426,523	510,884
Construction in progress	324,644	1,128,004	-	-	324,644	1,128,004
	<u>\$7,458,762</u>	<u>\$7,245,302</u>	<u>\$8,658,955</u>	<u>\$8,856,695</u>	<u>\$16,117,717</u>	<u>\$16,101,997</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 \$13,041,000 a net change of \$2,619,000 from 2013.

### City of Columbus, Minnesota's Outstanding Debt

	<u>2014</u>	<u>2013</u>
General Obligation Improvement Bonds	\$13,041,000	\$15,660,000

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.

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## **BASIC FINANCIAL STATEMENTS**

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**CITY OF COLUMBUS, MINNESOTA**

STATEMENT OF NET POSITION

December 31, 2014

**Statement 1**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and investments	\$4,366,571	\$71,995	\$4,438,566
Cash and investments with escrow agent or trustee	419,134	-	419,134
Accounts receivable - net	926	17,030	17,956
Due from other governmental units	45,715	215,424	261,139
Internal balances	939,384	(939,384)	-
Property taxes receivable	122,027	-	122,027
Special assessments receivable	7,019,763	-	7,019,763
Land held for resale	2,919,208	-	2,919,208
Capital assets (net of accumulated depreciation):			
Land	532,802	-	532,802
Buildings	1,709,113	-	1,709,113
Infrastructure	4,465,680	8,658,955	13,124,635
Vehicles and equipment	426,523	-	426,523
Construction in progress	324,644	-	324,644
<b>Total assets</b>	<b>23,291,490</b>	<b>8,024,020</b>	<b>31,315,510</b>
<b>Liabilities:</b>			
Accounts payable	31,707	971	32,678
Salaries payable	5,062	-	5,062
Due to other governments	91,305	1,236	92,541
Unearned revenue	1,200	-	1,200
Accrued interest payable	213,123	-	213,123
Compensated absences payable:			
Due within one year	7,293	-	7,293
Due in more than one year	18,297	-	18,297
Bonds payable:			
Due within one year	5,357,000	-	5,357,000
Due in more than one year	7,779,999	-	7,779,999
<b>Total liabilities</b>	<b>13,504,986</b>	<b>2,207</b>	<b>13,507,193</b>
<b>Net position:</b>			
Net investment in capital assets	4,016,763	8,658,955	12,675,718
Restricted for debt service	1,141,787	-	1,141,787
Unrestricted	4,627,954	(637,142)	3,990,812
<b>Total net position</b>	<b>\$9,786,504</b>	<b>\$8,021,813</b>	<b>\$17,808,317</b>

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

**CITY OF COLUMBUS, MINNESOTA**  
**STATEMENT OF ACTIVITIES**  
For The Year Ended December 31, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>  Charges For Services
Primary government:		
Governmental activities:		
General government	\$633,364	\$79,656
Public safety	560,516	117,751
Public works	823,710	29,169
Economic development	9,595	144
Parks and recreation	44,426	6,693
Interest on long-term debt	512,274	2,288
Total governmental activities	<u>2,583,885</u>	<u>235,701</u>
Business-type activities:		
Water	135,736	40,785
Sewer	132,355	47,691
Total business-type activities	<u>268,091</u>	<u>88,476</u>
Total primary government	<u>\$2,851,976</u>	<u>\$324,177</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
\$46,245	\$ -	(\$507,463)	\$ -	(\$507,463)
65,500	-	(377,265)	-	(377,265)
-	760,490	(34,051)	-	(34,051)
3,300	-	(6,151)	-	(6,151)
-	6,000	(31,733)	-	(31,733)
-	-	(509,986)	-	(509,986)
<u>115,045</u>	<u>766,490</u>	<u>(1,466,649)</u>	<u>0</u>	<u>(1,466,649)</u>
-	215,424	-	120,473	120,473
-	-	-	(84,664)	(84,664)
<u>0</u>	<u>215,424</u>	<u>0</u>	<u>35,809</u>	<u>35,809</u>
<u>\$115,045</u>	<u>\$981,914</u>	<u>(1,466,649)</u>	<u>35,809</u>	<u>(1,430,840)</u>
General revenues:				
General property taxes		2,279,389	-	2,279,389
Grants and contributions not restricted to specific programs		5,412	-	5,412
Unrestricted investment earnings		14,339	230	14,569
Miscellaneous		25,612	-	25,612
Total general revenues and transfers		<u>2,324,752</u>	<u>230</u>	<u>2,324,982</u>
Change in net position		858,103	36,039	894,142
Net position - January 1		<u>8,928,401</u>	<u>7,985,774</u>	<u>16,914,175</u>
Net position - December 31		<u>\$9,786,504</u>	<u>\$8,021,813</u>	<u>\$17,808,317</u>

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

**CITY OF COLUMBUS, MINNESOTA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2014

	(100) General Fund	(120) Public Works Special Revenue Fund	(142) Public Safety Special Revenue Fund	(350) Bonds of 2012A - Refunding Portion Debt Service Fund
<b>Assets</b>				
Cash and investments	\$546,752	\$437,373	\$557,507	\$524,096
Cash and investments with escrow agent or trustee	-	-	-	-
Accounts receivable - net	597	-	-	-
Due from other governmental units	24,613	-	21,102	-
Due from other funds	1,883,301	-	-	-
Property taxes receivable	84,724	10,727	10,230	-
Special assessments receivable	24,052	-	-	3,349,914
Land held for resale	-	-	-	-
<b>Total assets</b>	<b>\$2,564,039</b>	<b>\$448,100</b>	<b>\$588,839</b>	<b>\$3,874,010</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>				
<b>Liabilities:</b>				
Accounts payable	\$11,854	\$3,917	\$649	\$384
Salaries payable	2,618	2,444	-	-
Due to other governments	2,961	132	88,212	-
Due to other funds	-	-	-	-
Unearned revenue	1,200	-	-	-
<b>Total liabilities</b>	<b>18,633</b>	<b>6,493</b>	<b>88,861</b>	<b>384</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	91,047	-	-	3,335,767
<b>Total deferred inflows of resources</b>	<b>91,047</b>	<b>0</b>	<b>0</b>	<b>3,335,767</b>
<b>Fund balance:</b>				
Nonspendable	1,883,301	-	-	-
Restricted	-	-	-	537,859
Committed	-	441,607	499,978	-
Unassigned	571,058	-	-	-
<b>Total fund balance</b>	<b>2,454,359</b>	<b>441,607</b>	<b>499,978</b>	<b>537,859</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$2,564,039</b>	<b>\$448,100</b>	<b>\$588,839</b>	<b>\$3,874,010</b>

Fund balance reported above

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.

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

Assessments not yet due or delinquent

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Accrued interest payable

Bonds payable

Unamortized bond premium/discount

Compensated absences

Net position of governmental activities

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

(371) Bonds of 2007B	(480) EDA Quad 35 Project Fund	(481/482) EDA Quad Bond/Reserve Fund	Other Governmental Funds	Intra-Activity Eliminations	Total Governmental Funds
\$97,673	\$ -	\$ -	\$2,203,170	\$ -	\$4,366,571
-	-	419,134	-	-	419,134
-	-	329	-	-	926
-	-	-	-	-	45,715
-	-	-	-	(943,917)	939,384
-	-	-	16,346	-	122,027
3,244,070	-	-	401,727	-	7,019,763
-	2,919,208	-	-	-	2,919,208
<u>\$3,341,743</u>	<u>\$2,919,208</u>	<u>\$419,463</u>	<u>\$2,621,243</u>	<u>(\$943,917)</u>	<u>\$15,832,728</u>
\$ -	\$ -	\$ -	\$14,903	\$ -	\$31,707
-	-	-	-	-	5,062
-	-	-	-	-	91,305
-	-	943,299	618	(943,917)	-
-	-	-	-	-	1,200
<u>0</u>	<u>0</u>	<u>943,299</u>	<u>15,521</u>	<u>(943,917)</u>	<u>129,274</u>
3,244,070	-	-	401,727	-	7,072,611
<u>3,244,070</u>	<u>0</u>	<u>0</u>	<u>401,727</u>	<u>0</u>	<u>7,072,611</u>
-	-	-	-	-	1,883,301
97,673	2,919,208	-	417,607	-	3,972,347
-	-	-	1,786,388	-	2,727,973
-	-	(523,836)	-	-	47,222
<u>97,673</u>	<u>2,919,208</u>	<u>(523,836)</u>	<u>2,203,995</u>	<u>0</u>	<u>8,630,843</u>
<u>\$3,341,743</u>	<u>\$2,919,208</u>	<u>\$419,463</u>	<u>\$2,621,243</u>	<u>(\$943,917)</u>	<u>\$15,832,728</u>
					\$8,630,843
					7,458,762
					66,996
					7,005,615
					(213,123)
					(13,041,000)
					(95,999)
					(25,590)
					<u>\$9,786,504</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, 2014

	(100) General Fund	(120) Public Works Special Revenue Fund	(142) Public Safety Special Revenue Fund	(341-342) Bonds of 2004 Debt Service Fund
<b>Revenues:</b>				
General property taxes	\$775,615	\$443,594	\$422,991	\$ -
Licenses and permits	129,599	-	-	-
Intergovernmental	41,299	458	-	-
Special assessments	-	-	-	-
Investment income	4,040	1,665	1,443	7
Contributions and donations	9,900	-	55,500	-
Miscellaneous	70,919	17,388	23,973	-
Total revenues	<u>1,031,372</u>	<u>463,105</u>	<u>503,907</u>	<u>7</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	629,746	-	-	-
Public safety	69,155	-	464,165	-
Public works	-	454,134	-	-
Parks and recreation	-	-	-	-
Economic development	-	-	-	-
Capital outlay	500	-	-	-
Debt service	-	-	-	683,087
Fiscal and other charges	-	-	-	-
Cost of issuance	-	-	-	-
Total expenditures	<u>699,401</u>	<u>454,134</u>	<u>464,165</u>	<u>683,087</u>
Revenues over (under) expenditures	<u>331,971</u>	<u>8,971</u>	<u>39,742</u>	<u>(683,080)</u>
<b>Other financing sources (uses):</b>				
Proceeds from bonds	-	-	-	-
Transfers in	100,000	-	-	642,741
Transfers out	(206,355)	(100,000)	-	(63,564)
Total other financing sources (uses)	<u>(106,355)</u>	<u>(100,000)</u>	<u>0</u>	<u>579,177</u>
Net change in fund balance	225,616	(91,029)	39,742	(103,903)
Fund balance - January 1	<u>2,228,743</u>	<u>532,636</u>	<u>460,236</u>	<u>103,903</u>
Fund balance - December 31	<u><u>\$2,454,359</u></u>	<u><u>\$441,607</u></u>	<u><u>\$499,978</u></u>	<u><u>\$0</u></u>

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

(350) Bonds of 2012A - Refunding Portion Debt Service Fund	(351-354) Bonds of 2005A Debt Service Fund	(371) Bonds of 2007B	(480) EDA Quad 35 Project Fund	(481/482) EDA Quad Bond/Reserve Fund	Other Governmental Funds	Intra-Activity Eliminations	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$650,388	\$ -	\$2,292,588
-	-	-	-	-	-	-	129,599
-	-	-	-	-	-	-	41,757
474,542	-	167,202	-	-	134,262	-	776,006
861	12	334	-	143	5,834	-	14,339
-	-	-	-	-	19,300	-	84,700
-	-	-	-	-	21,934	-	134,214
<u>475,403</u>	<u>12</u>	<u>167,536</u>	<u>0</u>	<u>143</u>	<u>831,718</u>	<u>0</u>	<u>3,473,203</u>
-	-	-	-	-	-	-	629,746
-	-	-	-	-	13,295	-	546,615
-	-	-	-	-	103,835	-	557,969
-	-	-	-	-	35,001	-	35,001
-	-	-	-	-	9,241	-	9,241
-	-	-	-	-	503,331	-	503,831
199,252	1,676,922	381,250	-	419,600	221,339	-	3,581,450
1,220	-	-	-	354	451	-	2,025
-	-	-	-	-	13,205	-	13,205
<u>200,472</u>	<u>1,676,922</u>	<u>381,250</u>	<u>0</u>	<u>419,954</u>	<u>899,698</u>	<u>0</u>	<u>5,879,083</u>
<u>274,931</u>	<u>(1,676,910)</u>	<u>(213,714)</u>	<u>0</u>	<u>(419,811)</u>	<u>(67,980)</u>	<u>0</u>	<u>(2,405,880)</u>
-	-	-	-	-	396,000	-	396,000
279,688	1,651,728	-	-	305,645	328,828	(3,308,630)	-
(2,294,469)	(105,551)	-	(177,016)	-	(361,675)	3,308,630	-
<u>(2,014,781)</u>	<u>1,546,177</u>	<u>0</u>	<u>(177,016)</u>	<u>305,645</u>	<u>363,153</u>	<u>0</u>	<u>396,000</u>
(1,739,850)	(130,733)	(213,714)	(177,016)	(114,166)	295,173	0	(2,009,880)
<u>2,277,709</u>	<u>130,733</u>	<u>311,387</u>	<u>3,096,224</u>	<u>(409,670)</u>	<u>1,908,822</u>	<u>-</u>	<u>10,640,723</u>
<u>\$537,859</u>	<u>\$0</u>	<u>\$97,673</u>	<u>\$2,919,208</u>	<u>(\$523,836)</u>	<u>\$2,203,995</u>	<u>\$0</u>	<u>\$8,630,843</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, 2014

**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) (\$2,009,880)

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:

Depreciation	(301,693)
Capital outlay	503,831
Capital outlay not capitalized	(9,258)
Capitalized current expenditures	20,580

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Change in delinquent taxes	(13,198)
Change in special assessments	(18,017)

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:

Principal payments on long-term debt	3,015,000
Bonds issued	(396,000)
Bond premium/discounts	8,970

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:

Change in accrued interest payable	45,657
Change in compensated absences payable	12,111

Change in net position of governmental activities (Statement 2)	\$858,103
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**CITY OF COLUMBUS, MINNESOTA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2014

**Statement 6**

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total Enterprise Funds</u>
Assets:			
Current assets:			
Cash and investments	\$71,995	\$ -	\$71,995
Due from other governments	-	215,424	215,424
Accounts receivable - net	10,905	6,125	17,030
Total current assets	<u>82,900</u>	<u>221,549</u>	<u>304,449</u>
Capital assets:			
Improvements other than buildings	4,635,093	5,251,905	9,886,998
Less: accumulated depreciation	<u>(652,211)</u>	<u>(575,832)</u>	<u>(1,228,043)</u>
Total capital assets	<u>3,982,882</u>	<u>4,676,073</u>	<u>8,658,955</u>
Total assets	<u>4,065,782</u>	<u>4,897,622</u>	<u>8,963,404</u>
Liabilities:			
Current liabilities:			
Accounts payable	258	713	971
Due to other governments	-	1,236	1,236
Due to other funds	-	939,384	939,384
Total current liabilities	<u>258</u>	<u>941,333</u>	<u>941,591</u>
Net position:			
Net investment in capital assets	3,982,882	4,676,073	8,658,955
Unrestricted	<u>82,642</u>	<u>(719,784)</u>	<u>(637,142)</u>
Total net position	<u>\$4,065,524</u>	<u>\$3,956,289</u>	<u>\$8,021,813</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, 2014

**Statement 7**

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total Enterprise Funds</u>
Operating revenues:			
Charges for services	<u>\$47,691</u>	<u>\$40,785</u>	<u>\$88,476</u>
Operating expenses:			
Supplies	5,936	-	5,936
Other services and charges	33,717	18,696	52,413
Depreciation	<u>92,702</u>	<u>105,038</u>	<u>197,740</u>
Total operating expenses	<u>132,355</u>	<u>123,734</u>	<u>256,089</u>
Operating income (loss)	<u>(84,664)</u>	<u>(82,949)</u>	<u>(167,613)</u>
Nonoperating revenue (expenses):			
Intergovernmental	-	215,424	215,424
Interest expense	-	(12,002)	(12,002)
Investment income	<u>230</u>	<u>-</u>	<u>230</u>
Total nonoperating revenue (expenses)	<u>230</u>	<u>203,422</u>	<u>203,652</u>
Change in net position	(84,434)	120,473	36,039
Net position - January 1	<u>4,149,958</u>	<u>3,835,816</u>	<u>7,985,774</u>
Net position - December 31	<u><u>\$4,065,524</u></u>	<u><u>\$3,956,289</u></u>	<u><u>\$8,021,813</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, 2014

**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	\$47,781	\$40,967	\$88,748
Payment to suppliers	(61,347)	(18,469)	(79,816)
Net cash flows provided by operating activities	<u>(13,566)</u>	<u>22,498</u>	<u>8,932</u>
Cash flows from noncapital financing activities:			
Advances to/from other funds - net change	<u>-</u>	<u>192,926</u>	<u>192,926</u>
Cash flows from financing activities:			
Interest paid on long-term debt	-	(12,002)	(12,002)
Principal payments on long-term debt	-	(203,422)	(203,422)
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>230</u>	<u>-</u>	<u>230</u>
Net increase in cash and cash equivalents	(13,336)	-	(13,336)
Cash and cash equivalents - January 1	<u>85,331</u>	<u>-</u>	<u>85,331</u>
Cash and cash equivalents - December 31	<u><u>\$71,995</u></u>	<u><u>\$0</u></u>	<u><u>\$71,995</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	<u>(\$84,664)</u>	<u>(\$82,949)</u>	<u>(\$167,613)</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	90	182	272
Increase (decrease) in payables, due to other governments	(21,694)	227	(21,467)
Total adjustments	<u>71,098</u>	<u>105,447</u>	<u>176,545</u>
Net cash provided by operating activities	<u><u>(\$13,566)</u></u>	<u><u>\$22,498</u></u>	<u><u>\$8,932</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, 2014

**Statement 9**

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	<u>2014</u>
Assets:	
Cash and investments	<u>\$19,750</u>
Total assets	<u><u>\$19,750</u></u>
Liabilities:	
Deposits payable	<u>19,750</u>
Total liabilities	<u><u>\$19,750</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 changes in net position) 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 *Public Safety Special Revenue Fund* accounts for all revenues and expenditures relating to the police, emergency management and fire in the City.

The *Bonds of 2004 Debt Service Fund* accounts for the debt service payments relating to the bonds of 2004.

**CITY OF COLUMBUS, MINNESOTA**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2014

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

The *Bonds of 2005A Debt Service Fund* accounts for the debt service payments relating to the bonds of 2005A.

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 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 - 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, 2014.

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

Assets	
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 no items that qualify for reporting in this category.

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 one 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, 2013, from which the summarized information was derived.

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**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.

Balances at December 31, 2014 are as follows:

	<u>Bank Balances</u>	<u>Carrying Amount</u>
Deposits	<u>\$3,325,000</u>	<u>\$3,254,274</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, 2014, 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**  
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As of December 31, 2014, 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	\$423,176	\$423,176	\$ -
Brokered CD's	N/R	1,200,000	500,000	700,000
Total investments		<u>\$1,623,176</u>	<u>\$923,176</u>	<u>\$700,000</u>
Total investments				\$1,623,176
Deposits				<u>3,254,274</u>
Total cash and investments				<u>\$4,877,450</u>

The following is a reconciliation of the City's total cash and investments at December 31, 2014:

Government-wide statement of position:	
Cash and investments	\$4,438,566
Cash and investments held with escrow agent or trustee	419,134
Fiduciary Fund statement of net position	<u>19,750</u>
Total	<u>\$4,877,450</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**  
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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, 2014 are as follows:

	<u>Delinquent Property Taxes</u>	<u>Special Assessments</u>
Major funds:		
(100/160) General Fund	\$37,000	\$24,000
(350) Bonds of 2012A	-	3,102,000
(371) Bonds of 2007B	-	3,130,000
Nonmajor funds	<u>-</u>	<u>373,000</u>
Total	<u><u>\$37,000</u></u>	<u><u>\$6,629,000</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:				
(100/160) General Fund	\$66,996	\$ -	\$24,052	\$91,048
(350) Bonds of 2012A	-	32,542	3,303,225	3,335,767
(371) Bonds of 2007B	-	56,580	3,187,490	3,244,070
Nonmajor funds	<u>-</u>	<u>2,488</u>	<u>399,239</u>	<u>401,727</u>
Total	<u><u>\$66,996</u></u>	<u><u>\$91,610</u></u>	<u><u>\$6,914,006</u></u>	<u><u>\$7,072,612</u></u>

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**Note 5 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2014 was as follows:

<b>Primary Government</b>	<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	\$355,786	\$177,016	\$ -	\$ -	\$532,802
Construction in progress	1,128,004	507,778	(1,311,138)	-	324,644
Total capital assets, not being depreciated	<u>1,483,790</u>	<u>684,794</u>	<u>(1,311,138)</u>	<u>0</u>	<u>857,446</u>
Capital assets, being depreciated:					
Buildings	2,357,041	-	-	-	2,357,041
Roads	4,884,487	1,134,122	-	-	6,018,609
Vehicles and equipment	1,213,480	7,375	-	-	1,220,855
Total capital assets, being depreciated	<u>8,455,008</u>	<u>1,141,497</u>	<u>0</u>	<u>0</u>	<u>9,596,505</u>
Less accumulated depreciation for:					
Buildings	600,787	47,141	-	-	647,928
Roads	1,390,113	162,816	-	-	1,552,929
Vehicles and equipment	702,596	91,736	-	-	794,332
Total accumulated depreciation	<u>2,693,496</u>	<u>301,693</u>	<u>0</u>	<u>0</u>	<u>2,995,189</u>
Total capital assets being depreciated - net	<u>5,761,512</u>	<u>839,804</u>	<u>0</u>	<u>0</u>	<u>6,601,316</u>
Governmental activities capital assets - net	<u>\$7,245,302</u>	<u>\$1,524,598</u>	<u>(\$1,311,138)</u>	<u>\$0</u>	<u>\$7,458,762</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</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	470,794	105,038	-	-	575,832
Sewer infrastructure	559,509	92,702	-	-	652,211
Total accumulated depreciation	<u>1,030,303</u>	<u>197,740</u>	<u>0</u>	<u>0</u>	<u>1,228,043</u>
Business-type activities capital assets - net	<u>\$8,856,695</u>	<u>(\$197,740)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$8,658,955</u>

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
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Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$15,229
Public safety	13,901
Public works	263,138
Parks and recreation	9,425
Total depreciation expense - governmental activities	<u>\$301,693</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, 2014, the long-term debt of the financial reporting entity consisted of the following:

	Issue Date	Final Maturity Date	Authorized and Issued	Interest Rate	Outstanding 12/31/14
<b>Governmental activities:</b>					
G.O. Improvement Bonds of 2007B	11/15/07	2/1/24	4,305,000	4.1%	\$3,145,000
G.O. Capital Improvement Bonds of 2007A	6/1/07	2/1/23	1,380,000	3.65% - 4.150%	920,000
G.O. Capital Improvement Bonds of 2010A	8/19/10	2/1/21	281,000	4.15%	215,000
EDA Taxable Lease Revenue Bonds of 2010	11/17/10	2/1/32	4,720,000	2.5% - 6.5%	4,480,000
G.O. Capital Improvement Bonds of 2012A	4/1/12	4/1/28	795,000	2.00 - 2.75%	750,000
G.O. Capital Improvement Bonds of 2012A Refunding Portion	4/1/12	4/1/22	3,270,000	2.00 - 2.15%	3,135,000
G.O. Capital Improvement Bonds of 2014	10/2/14	2/1/25	396,000	2/35 - 3.35%	396,000
Issuance premiums (discounts)	N/A	N/A	N/A	N/A	95,999
Total bonded indebtedness					<u>13,136,999</u>
Compensated absences payable	N/A	N/A	N/A	N/A	25,590
Total long-term debt					<u>\$13,162,589</u>

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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ADVANCE CROSSOVER REFUNDING

On April 1, 2012, the City issued \$4,065,000 in general obligation bonds, Series 2012A with an average interest rate of 2.35% to advance refund \$575,000 of outstanding 2004 series bonds with an average interest rate of 4.38%, to advance refund \$1,495,000 of outstanding 2005A series bonds with an average interest rate of 3.77%, to advance refund \$1,200,000 of outstanding 2006 series bonds with an average interest rate of 3.85% and issue \$795,000 of new money. The City refunded the 2004A, 2005A and 2006A to reduce its total debt service payments over the next ten years by \$245,447 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$224,832.

The net proceeds of \$3,298,254 were deposited in an escrow account to purchase securities to provide sufficient funds to pay the following:

- The portion of interest coming due on the 2012A Bonds attributable to the refunding of the General Obligation Bonds, Series 2004A (the "2004A Refunded Bonds") through and including February 1, 2014; and
- The called \$565,000 principal amount of the 2004A Refunded Bonds on February 1, 2014 (the "2004A Crossover Date").

Funds in the escrow account were also used to pay the portion of interest due on the 2012A Bonds attributable to the refunding of the General Obligation Improvement Bonds, Series 2005A (the "2005A Refunded Bonds") through and including February 1, 2014 and to pay the called \$1,460,000 principal amount of the 2005A Refunded Bonds on February 1, 2014 (the "2005A Crossover Date").

The City continued to pay the scheduled principal and interest payments on the 2004A Refunded Bonds including the payment due on the February 1, 2014 Crossover Date. The Escrow Agent paid the 2004A Refunded Bonds in full on the 2004A Crossover Date. The City began making payments on the portion that is attributable to the 2004A Refunded Bonds on August 1, 2014, which was the date that the City began making full payments on the 2012A Bonds.

The City continued to pay the scheduled principal and interest payments on the 2005A Refunded Bonds including the payment due on the February 1, 2014 Crossover Date. The Escrow Agent paid the 2005A Refunded Bonds in full on the 2005A Crossover Date. The City began making payments on the portion that is attributable to the 2005A Refunded Bonds on August 1, 2014, which was the date that the City began making full payments on the 2012A Bonds.

Assets held with the escrow agent at December 31, 2014 were \$0.

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**BUSINESS-TYPE ACTIVITIES**

The City entered into an agreement with Ziegler to purchase a water tank and pumphouse for \$713,266. The first installment in the amount of \$103,000 was paid on February 13, 2009. The balance of the purchase price of \$610,266 was paid in three installment payments of \$203,422 plus interest on December 31, 2012, 2013 and 2014. Interest is calculated at 5% up to December 31, 2012 and 5.9% thereafter.

The City's total principal and interest payments for 2014 were \$203,422 and \$12,002, respectively. This note was paid off in 2014.

**PAYMENTS TO MATURITY**

The annual requirement to amortize all debt outstanding at December 31, 2014 is as follows:

	Governmental Activities					
	General Obligation Bonds of 2007B		EDA Taxable Lease Revenue Bonds Series 2010		General Obligation Capital Improvements of 2007A	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$260,000	\$120,600	\$4,480,000	\$255,000	\$85,000	\$35,430
2016	270,000	110,000	-	-	90,000	32,016
2017	290,000	98,800	-	-	95,000	28,363
2018	300,000	87,000	-	-	100,000	24,486
2019	300,000	75,000	-	-	100,000	20,486
2020	325,000	62,500	-	-	105,000	16,360
2021	340,000	49,200	-	-	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	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
	<u>\$3,145,000</u>	<u>\$667,700</u>	<u>\$4,480,000</u>	<u>\$255,000</u>	<u>\$920,000</u>	<u>\$178,962</u>

**CITY OF COLUMBUS, MINNESOTA**  
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	Governmental Activities							
	General Obligation Capital Improvements of 2010A		General Obligation Capital Improvements of 2012A		General Obligation Capital Improvements of 2012A - Refunding Portion		General Obligation Capital Improvements of 2014	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$27,000	\$8,362	\$45,000	\$17,295	\$460,000	\$58,303	\$ -	\$9,507
2016	28,000	7,221	45,000	16,395	435,000	49,353	32,000	11,070
2017	29,000	6,038	50,000	15,445	440,000	40,603	36,000	10,271
2018	31,000	4,793	50,000	14,445	420,000	32,003	37,000	9,413
2019	32,000	3,486	50,000	13,445	435,000	23,453	38,000	8,532
2020	33,000	2,137	50,000	12,445	450,000	14,603	39,000	7,627
2021	35,000	726	50,000	11,445	360,000	6,503	40,000	6,499
2022	-	-	55,000	10,354	135,000	1,447	41,000	5,142
2023	-	-	55,000	9,006	-	-	43,000	3,735
2024	-	-	55,000	7,494	-	-	44,000	2,279
2025	-	-	60,000	5,913	-	-	46,000	770
2026	-	-	60,000	4,263	-	-	-	-
2027	-	-	60,000	2,613	-	-	-	-
2028	-	-	65,000	894	-	-	-	-
	<u>\$215,000</u>	<u>\$32,763</u>	<u>\$750,000</u>	<u>\$141,452</u>	<u>\$3,135,000</u>	<u>\$226,268</u>	<u>\$396,000</u>	<u>\$74,845</u>

**CHANGE IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2014, was as follows:

	Balance 01/01/14	Additions	Deletions	Balance 12/31/14	Due Within One Year
<b>Governmental activities:</b>					
G.O. Improvement Bonds of 2004	\$670,000	\$ -	(\$670,000)	\$ -	\$ -
G.O. Improvement Bonds of 2005A	1,645,000	-	(1,645,000)	-	-
G.O. Improvement Bonds of 2007B	3,395,000	-	(250,000)	3,145,000	260,000
G.O. Capital Improvement Bonds of 2007A	1,005,000	-	(85,000)	920,000	85,000
G.O. Capital Improvement Bonds of 2010A	240,000	-	(25,000)	215,000	27,000
G.O. Capital Improvement Bonds of 2012A	795,000	-	(45,000)	750,000	45,000
G.O. Capital Improvement Bonds of 2012A refunding portion	3,270,000	-	(135,000)	3,135,000	460,000
G.O. Capital Improvement Bonds of 2014	-	396,000	-	396,000	-
EDA Taxable Lease Revenue Bonds of 2010	4,640,000	-	(160,000)	4,480,000	4,480,000
Compensated absences	37,701	2,222	(14,333)	25,590	7,293
Subtotal	<u>15,697,701</u>	<u>\$398,222</u>	<u>(\$3,029,333)</u>	<u>13,066,590</u>	<u>\$5,364,293</u>
Unamortized premium (discount) on bonds	104,969			95,999	
Total governmental activities	<u>15,802,670</u>			<u>13,162,589</u>	
<b>Business-type activities:</b>					
Note payable - easement	<u>\$203,422</u>	<u>\$ -</u>	<u>(\$203,422)</u>	<u>-</u>	<u>\$ -</u>
Total				<u>\$13,162,589</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, 2014

For the governmental activities, compensated absences are generally liquidated by the General Fund. All long-term bonded indebtedness outstanding at December 31, 2014 is backed by the full faith and credit of the City. Delinquent assessments receivable at December 31, 2014 were \$91,610.

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
2004	Infrastructure Improvements	Special Assessments	100%	2005 - 2020	\$0	\$683,087	\$0
2005A	Infrastructure Improvements	Special Assessments	100%	2006 - 2021	\$0	\$1,676,922	\$0
2007A	Public Works Building	Property Taxes	100%	2008 - 2023	\$1,098,962	\$123,703	\$127,788
2007B	Infrastructure Improvements	Special Assessments	100%	2008 - 2024	\$3,812,700	\$380,800	\$167,202
2010A	Infrastructure Improvements	Special Assessments	100%	2010 - 2021	\$247,763	\$34,441	\$35,246
2010	Land Purchase	Lease Revenue *	100%	2011 - 2032	\$7,336,586	\$419,600	\$16,625
2012A	Infrastructure Improvements	Property Taxes	100%	2012-2028	\$891,452	\$63,195	\$0
2012A	Refunding of 2004, 2005A and 2006 Infrastructure Improvements	Special Assessments	100%	2012-2022	\$3,361,268	\$199,252	\$474,542
2014	Infrastructure Improvements	Special Assessments	100%	2014-2023	\$470,845	\$0	\$82,391

\* 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.

**Note 7 PENSION PLANS**

**A. PLAN DESCRIPTION**

All full-time and certain part-time employees of the City are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with *Minnesota Statute*, Chapters 353 and 356.

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. All new members must participate in the Coordinated Plan.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by State Statute, and vest after five years of credited service. The defined retirement 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.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF and PEPFF. That report may be obtained on the internet at [www.mnpera.org](http://www.mnpera.org), by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088 or by calling (651)296-7460 or 1-800-652-9026.

**B. FUNDING POLICY**

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These Statutes are established and amended by the State legislature. The City makes annual contributions to the pension plans equal to the amount required by State Statutes. GERF Basic Plan members and Coordinated Plan members were required to contribute 9.10% and 6.25%, respectively, of their annual covered salary in 2014. The City was required to contribute the following percentages of annual covered payroll in 2014: 11.78% for Basic Plan GERF members and 7.25% for Coordinated Plan GERF members. The City's contributions to the GERF for the years ended December 31, 2014, 2013 and 2012 were \$33,732, \$34,542, and \$34,468, respectively. The City's contributions were equal to the contractually required contribution for each year as set by State Statute. Contribution rates will increase on January 1, 2015 in the Coordinated Plan (6.5% for members and 7.5% for employers).

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**Note 8 INTERFUND RECEIVABLES/PAYABLES, LOANS AND TRANSFERS**

Interfund transfers during 2014 are as follows:

	Transfers In					Total
	General	Bonds of 2004	Bonds of 2012A	Bonds of 2005A	EDA Quad 35 Fund	
Transfers out:						
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$206,355
Public Works	100,000	-	-	-	-	100,000
Bonds of 2004	-	-	63,564	-	-	63,564
Bonds of 2012A	-	642,741	-	1,651,728	-	2,294,469
Bonds of 2005A	-	-	105,551	-	-	105,551
EDA Quad 35 Project Fund	-	-	-	-	177,016	177,016
Nonmajor	-	-	110,573	-	128,629	122,473
<b>Total</b>	<b>\$100,000</b>	<b>\$642,741</b>	<b>\$279,688</b>	<b>\$1,651,728</b>	<b>\$305,645</b>	<b>\$3,308,630</b>

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, 2014 are as follows:

	Due To Other Funds			Total
	EDA Quad Bond Reserve	Nonmajor	Water Fund	
Due from other funds:				
General	\$943,299	\$618	\$939,384	\$1,883,301
<b>Total</b>	<b>\$943,299</b>	<b>\$618</b>	<b>\$939,384</b>	<b>\$1,883,301</b>

**Note 9 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, 2014.

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

**Note 10 FUND BALANCE**

**A. CLASSIFICATIONS**

At December 31, 2014, a summary of the governmental fund balance classifications are as follows:

	Nonspendable	Restricted for		Committed to:					Unassigned	Total
		Debt Service	Public Works	Public Safety	Parks	Watershed	Charitable Gambling	Economic Development		
General Fund	\$1,883,301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$571,058	\$2,454,359
Major Special Revenue Funds:										
Public Works	-	-	441,607	-	-	-	-	-	-	441,607
Public Safety	-	-	-	499,978	-	-	-	-	-	499,978
Major Debt Service Funds:										
Bonds of 2012A - Refunding Portion	-	537,859	-	-	-	-	-	-	-	537,859
Bonds of 2007B	-	97,673	-	-	-	-	-	-	-	97,673
Major Capital Projects Funds:										
EDA Quad 35 Project Fund	-	2,919,208	-	-	-	-	-	-	-	2,919,208
EDA Quad Bond/Reserve	-	-	-	-	-	-	-	-	(523,836)	(523,836)
Nonmajor Funds	-	417,607	1,626,546	15,818	93,781	6,527	10,428	33,288	-	2,203,995
<b>Total</b>	<b>\$1,883,301</b>	<b>\$3,972,347</b>	<b>\$2,068,153</b>	<b>\$515,796</b>	<b>\$93,781</b>	<b>\$6,527</b>	<b>\$10,428</b>	<b>\$33,288</b>	<b>\$47,222</b>	<b>\$8,630,843</b>

**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, 2014, the targeted and actual fund balance was:

	<u>Target</u>	<u>Actual</u>
General Fund	\$508,416	\$571,058

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**Note 11 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 12 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.

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

2015	\$16,694
2016	17,194
2017	17,710
2018	18,241
2019	<u>18,789</u>
Total	<u>\$88,628</u>

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**Note 13 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. 68** *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement 27. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time.

**Statement No. 71** *Pension Transition for Contributions - Made Subsequent to the Measurement Date* - an amendment of GASB Statement No. 68. The provisions of this Statement should be applied simultaneously with the provisions of Statement 68.

**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 of this statement are effective for financial statements of periods beginning after June 15, 2015.

**Statement No. 74** *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* - The provisions of this statement are effective for financial statements for periods beginning after June 15, 2016.

**Statement No. 75** *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* - The provisions of this statement are effective for financial statements for periods beginning after June 15, 2017.

The effect these standards may have on future financial statements is not determinable at this time, but it is expected that Statements No. 68 and No. 71 will have a material impact.

**Note 14 DEFICIT FUND BALANCE**

The City has a deficit fund balance at December 31, 2014 as follows:

Fund	Amount
(481/482) EDA Quad Bond/Reserve Fund	\$523,836

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2014

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**Note 15** **SUBSEQUENT EVENTS**

In March of 2015, the City issued Taxable General Obligation Tax Abatement Bonds, Series 2015A in the amount of \$4,380,000. These bonds were issued to advance refund the EDA Taxable Lease Revenue Bonds of 2010.

In April of 2015, the City also issued conduit debt for the Richfield Senior Housing, Inc in an amount not to exceed \$21 million. The City also issued conduit debt for the New Millennium Charter Academy in an amount not to exceed \$18 million.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF COLUMBUS, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2014  
With Comparative Actual Amounts For The Year Ended December 31, 2013

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
<b>Revenues:</b>					
Property taxes	\$766,139	\$766,139	\$775,615	\$9,476	\$759,301
Licenses and permits	78,650	78,650	129,599	50,949	109,829
<b>Intergovernmental:</b>					
State:					
PERA aid	458	458	458	-	458
Property tax credits and aids	500	500	4,496	3,996	3,885
County:					
Recycling	17,000	17,000	18,356	1,356	19,349
Other	-	-	17,989	17,989	21,136
Total intergovernmental	17,958	17,958	41,299	23,341	44,828
Investment income	2,200	2,200	4,040	1,840	2,725
Contributions and donations	13,500	13,500	9,900	(3,600)	14,679
<b>Miscellaneous:</b>					
Public hearing	-	-	1,150	1,150	450
County fine revenues	28,000	28,000	31,411	3,411	38,703
Title searches and plats	50	50	290	240	321
Senior center board	7,200	7,200	3,515	(3,685)	6,721
Cable TV franchise fees	8,500	8,500	13,355	4,855	11,982
Refunds and reimbursements	-	-	8,748	8,748	18,293
Other	7,850	7,850	12,450	4,600	15,091
Total miscellaneous	51,600	51,600	70,919	19,319	91,561
Total revenues	930,047	930,047	1,031,372	101,325	1,022,923
<b>Expenditures:</b>					
<b>General government:</b>					
General:					
Office and computer supplies	12,800	12,800	11,042	1,758	11,520
Postage	1,500	1,500	1,509	(9)	1,361
Mileage	1,500	1,500	1,189	311	1,504
Dues	4,000	4,000	4,439	(439)	4,099
Legal notices and ads	2,200	2,200	2,076	124	1,402
Copy machine	2,000	2,000	1,739	261	1,649
Seminars/publications	2,250	2,250	1,833	417	1,566
Community events	1,000	1,000	3,060	(2,060)	711
Truth in taxation	2,000	2,000	1,761	239	1,397
Miscellaneous	246,000	246,000	15,024	230,976	11,160
Cable franchise reimbursement	8,500	8,500	12,956	(4,456)	11,947
Total general	283,750	283,750	56,628	227,122	48,316

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

For The Year Ended December 31, 2014  
 With Comparative Actual Amounts For The Year Ended December 31, 2013

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
Expenditures: (continued)					
General government: (continued)					
Payroll expenses:					
City Council	\$25,050	\$25,050	\$22,610	\$2,440	\$15,544
Administrative wages	231,500	231,500	222,408	9,092	224,231
Medical Insurance	30,600	30,600	26,595	4,005	29,669
PERA, FICA, DCP	38,675	38,675	35,759	2,916	36,149
Total payroll expenses	<u>325,825</u>	<u>325,825</u>	<u>307,372</u>	<u>18,453</u>	<u>305,593</u>
Other general government expenses:					
Bank charges	1,200	1,200	1,432	(232)	1,238
Audit	23,000	23,000	23,548	(548)	26,841
Engineer:					
General	6,000	6,000	24,589	(18,589)	12,763
Reimbursable	-	-	8,766	(8,766)	5,039
Attorney:					
Criminal	18,000	18,000	18,090	(90)	18,000
Civil	60,000	60,000	68,966	(8,966)	51,827
Reimbursable	-	-	8,889	(8,889)	10,755
Planning:					
Planning commission	3,800	3,800	1,455	2,345	2,620
Planner	5,000	5,000	4,122	878	4,964
Reimbursable	-	-	14,135	(14,135)	22,922
Comp plan and ordinances	10,000	10,000	12,147	(2,147)	8,307
Assessor	18,700	18,700	21,324	(2,624)	20,928
Tax appeals	2,000	2,000	8,949	(6,949)	4,487
City Hall:					
Electricity, phone, heating, maint.	38,900	38,900	28,997	9,903	27,799
Senior center	33,791	33,791	13,898	19,893	31,397
Recycling	12,000	12,000	5,727	6,273	5,451
Tree Board	1,500	1,500	-	1,500	20,805
Youth service and other services	356	356	712	(356)	2,000
Total other general government	<u>234,247</u>	<u>234,247</u>	<u>265,746</u>	<u>(31,499)</u>	<u>278,143</u>
Total general government - current	<u>843,822</u>	<u>843,822</u>	<u>629,746</u>	<u>214,076</u>	<u>632,052</u>
Capital outlay - general government	4,000	4,000	500	3,500	2,763
Total general government	<u>847,822</u>	<u>847,822</u>	<u>630,246</u>	<u>217,576</u>	<u>634,815</u>

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

For The Year Ended December 31, 2014  
 With Comparative Actual Amounts For The Year Ended December 31, 2013

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
Expenditures: (continued)					
Public safety:					
Animal control	\$7,000	\$7,000	(\$42)	\$7,042	\$7,247
Building inspector	72,375	72,375	64,629	7,746	63,117
Building permit surcharge	2,000	2,000	4,286	(2,286)	4,201
Miscellaneous	850	850	282	568	284
Total public safety	<u>82,225</u>	<u>82,225</u>	<u>69,155</u>	<u>13,070</u>	<u>74,849</u>
Total expenditures	<u>930,047</u>	<u>930,047</u>	<u>699,401</u>	<u>230,646</u>	<u>709,664</u>
Revenues over (under) expenditures	0	0	331,971	331,971	313,259
Other financing sources (uses):					
Transfers in	-	-	100,000	100,000	250,000
Transfers out	-	-	(206,355)	(206,355)	(1,000)
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	225,616	<u>\$225,616</u>	562,259
Fund balance - January 1			<u>2,228,743</u>		<u>1,666,484</u>
Fund balance - December 31			<u>\$2,454,359</u>		<u>\$2,228,743</u>

**CITY OF COLUMBUS, MINNESOTA**

REQUIRED SUPPLEMENTARY INFORMATION

**Statement 11**

BUDGETARY COMPARISON SCHEDULE - PUBLIC WORKS SPECIAL REVENUE FUND

For The Year Ended December 31, 2014

With Comparative Actual Amounts For The Year Ended December 31, 2013

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
Revenues:					
Property taxes	\$439,947	\$439,947	\$443,594	\$3,647	\$429,322
Intergovernmental:					
State	458	458	458	-	458
Investment income	1,600	1,600	1,665	65	1,731
Miscellaneous:					
Other	1,000	1,000	17,388	16,388	3,321
Total revenues	<u>443,005</u>	<u>443,005</u>	<u>463,105</u>	<u>20,100</u>	<u>434,832</u>
Expenditures:					
Public works:					
Wages and benefits:					
Salaries	205,000	205,000	205,006	(6)	190,403
Payroll taxes and fringe	58,300	58,300	55,943	2,357	53,571
Workers comp insurance	14,000	14,000	14,474	(474)	13,404
Shop expenses:					
Insurance	12,000	12,000	9,764	2,236	9,458
Utilities	15,800	15,800	18,517	(2,717)	13,542
Supplies	5,000	5,000	3,362	1,638	3,805
Gas, oil and fuel	26,000	26,000	26,337	(337)	27,056
Equipment repair and maintenance	20,000	20,000	26,061	(6,061)	23,649
Cutting edges and small tools	4,500	4,500	4,514	(14)	4,335
Building maintenance and other	2,125	2,125	2,752	(627)	5,810
Road repair and maintenance:					
Salt and sand	16,000	16,000	19,471	(3,471)	22,524
Calcium chloride	35,000	35,000	35,637	(637)	34,231
Culverts	5,000	5,000	4,298	702	7,447
Street signs and posts	7,000	7,000	5,022	1,978	1,766
Subcontracting and miscellaneous	17,280	17,280	22,976	(5,696)	25,500
Total expenditures	<u>443,005</u>	<u>443,005</u>	<u>454,134</u>	<u>(11,129)</u>	<u>436,501</u>
Revenues over (under) expenditures	0	0	8,971	8,971	(1,669)
Other financing sources (uses):					
Transfers out	-	-	(100,000)	(100,000)	(250,000)
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	<u>(91,029)</u>	<u>(\$91,029)</u>	<u>(251,669)</u>
Fund balance - January 1			<u>532,636</u>		<u>784,305</u>
Fund balance - December 31			<u>\$441,607</u>		<u>\$532,636</u>

**CITY OF COLUMBUS, MINNESOTA**

REQUIRED SUPPLEMENTARY INFORMATION

**Statement 12**

BUDGETARY COMPARISON SCHEDULE - PUBLIC SAFETY SPECIAL REVENUE FUND

For The Year Ended December 31, 2014

With Comparative Actual Amounts For The Year Ended December 31, 2013

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
Revenues:					
General property taxes	\$419,594	\$419,594	\$422,991	\$3,397	\$368,872
Investment income	250	250	1,443	1,193	1,152
Contributions and donations	55,500	55,500	55,500	-	55,500
Miscellaneous	22,681	22,681	23,973	1,292	24,499
Total revenues	<u>498,025</u>	<u>498,025</u>	<u>503,907</u>	<u>5,882</u>	<u>450,023</u>
Expenditures:					
Other:					
Fire protection	<u>498,025</u>	<u>498,025</u>	<u>464,165</u>	<u>33,860</u>	<u>434,713</u>
Revenues over (under) expenditures	<u>\$0</u>	<u>\$0</u>	39,742	<u>\$39,742</u>	15,310
Fund balance - January 1			<u>460,236</u>		<u>444,926</u>
Fund balance - December 31			<u>\$499,978</u>		<u>\$460,236</u>

**CITY OF COLUMBUS, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**NOTE TO RSI**  
December 31, 2014

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**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.

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

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**CITY OF COLUMBUS, MINNESOTA****COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GENERAL FUND****Statement 13**

December 31, 2014

With Comparative Amounts For December 31, 2013

	<u>2014</u>	<u>2013</u>
Revenues:		
Property taxes	\$775,615	\$759,301
Licenses and permits	129,599	109,829
Intergovernmental	41,299	44,828
Investment income	4,040	2,725
Contributions and donations	9,900	14,679
Other	70,919	91,561
Total revenues	<u>1,031,372</u>	<u>1,022,923</u>
Expenditures:		
Current:		
General government	629,746	632,052
Public safety	69,155	74,849
Capital outlay	500	2,763
Total expenditures	<u>699,401</u>	<u>709,664</u>
Revenues over expenditures	331,971	313,259
Other financing sources (uses):		
Transfers in	100,000	250,000
Transfers out	(206,355)	(1,000)
Total other financial sources (uses)	<u>(106,355)</u>	<u>249,000</u>
Net change in fund balance	225,616	562,259
Fund balance - January 1	<u>2,228,743</u>	<u>1,666,484</u>
Fund balance - December 31	<u><u>\$2,454,359</u></u>	<u><u>\$2,228,743</u></u>

**CITY OF COLUMBUS, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
December 31, 2014

**Statement 14**

Assets	Special Revenue	Debt Service	Capital Project	Totals Nonmajor Governmental Funds
Cash and investments	\$1,355,875	\$412,383	\$434,912	\$2,203,170
Property taxes receivable	9,133	5,224	1,989	16,346
Special assessments receivable	-	401,727	-	401,727
<b>Total assets</b>	<b>\$1,365,008</b>	<b>\$819,334</b>	<b>\$436,901</b>	<b>\$2,621,243</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>				
<b>Liabilities:</b>				
Accounts payable	\$1,039	\$ -	\$13,864	\$14,903
Due to other funds	618	-	-	618
<b>Total liabilities</b>	<b>1,657</b>	<b>0</b>	<b>13,864</b>	<b>15,521</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	-	401,727	-	401,727
<b>Total deferred inflows of resources</b>	<b>0</b>	<b>401,727</b>	<b>0</b>	<b>401,727</b>
<b>Fund balance:</b>				
Restricted	-	417,607	-	417,607
Committed	1,363,351	-	423,037	1,786,388
<b>Total fund balance</b>	<b>1,363,351</b>	<b>417,607</b>	<b>423,037</b>	<b>2,203,995</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$1,365,008</b>	<b>\$819,334</b>	<b>\$436,901</b>	<b>\$2,621,243</b>

**CITY OF COLUMBUS, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For The Year Ended December 31, 2014

**Statement 15**

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
General property taxes	\$374,523	\$193,618	\$82,247	\$650,388
Special assessments	-	134,262	-	134,262
Investment income	3,570	619	1,645	5,834
Contributions and donations	19,300	-	-	19,300
Miscellaneous	16,721	-	5,213	21,934
Total revenues	<u>414,114</u>	<u>328,499</u>	<u>89,105</u>	<u>831,718</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	13,295	-	-	13,295
Public works	103,835	-	-	103,835
Parks and recreation	35,001	-	-	35,001
Economic development	9,241	-	-	9,241
Capital outlay	-	-	503,331	503,331
<b>Debt service:</b>				
Principal	-	155,000	-	155,000
Interest and other	-	66,339	-	66,339
Fiscal and other charges	-	451	-	451
Cost of issuance	-	-	13,205	13,205
Total expenditures	<u>161,372</u>	<u>221,790</u>	<u>516,536</u>	<u>899,698</u>
Revenues over (under) expenditures	<u>252,742</u>	<u>106,709</u>	<u>(427,431)</u>	<u>(67,980)</u>
<b>Other financing sources (uses):</b>				
Proceeds on bonds	-	-	396,000	396,000
Transfers in	2,500	119,973	206,355	328,828
Transfers out	(248,602)	(77,500)	(35,573)	(361,675)
Total other financing sources (uses)	<u>(246,102)</u>	<u>42,473</u>	<u>566,782</u>	<u>363,153</u>
Net change in fund balance	6,640	149,182	139,351	295,173
Fund balance - January 1	<u>1,356,711</u>	<u>268,425</u>	<u>283,686</u>	<u>1,908,822</u>
Fund balance - December 31	<u><u>\$1,363,351</u></u>	<u><u>\$417,607</u></u>	<u><u>\$423,037</u></u>	<u><u>\$2,203,995</u></u>

**CITY OF COLUMBUS, MINNESOTA**  
**SUBCOMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
December 31, 2014

	(125) Blacktop Maintenance Fund	(126) Transportation Studies	(150) Parks and Recreation Fund
<b>Assets</b>			
Cash and investments	\$1,099,522	\$144,278	\$64,703
Property taxes receivable	4,593	-	836
<b>Total assets</b>	<b><u>\$1,104,115</u></b>	<b><u>\$144,278</u></b>	<b><u>\$65,539</u></b>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities:</b>			
Accounts payable	\$791	\$ -	\$33
Due to other funds	-	-	-
<b>Total liabilities</b>	<b><u>791</u></b>	<b><u>0</u></b>	<b><u>33</u></b>
<b>Fund balance:</b>			
Committed	1,103,324	144,278	65,506
<b>Total liabilities and fund balance</b>	<b><u>\$1,104,115</u></b>	<b><u>\$144,278</u></b>	<b><u>\$65,539</u></b>

(230) Charitable Gambling	(250) Sunrise River WMO Fund	(240) Economic Development Authority	(241) EDA HRA Levy	Total Nonmajor Special Revenue Funds
\$10,428	\$6,372	\$30,572	\$ -	\$1,355,875
-	155	1,674	1,875	9,133
<u>\$10,428</u>	<u>\$6,527</u>	<u>\$32,246</u>	<u>\$1,875</u>	<u>\$1,365,008</u>
\$ -	\$ -	\$215	\$ -	\$1,039
-	-	-	618	618
<u>0</u>	<u>0</u>	<u>215</u>	<u>618</u>	<u>1,657</u>
<u>10,428</u>	<u>6,527</u>	<u>32,031</u>	<u>1,257</u>	<u>1,363,351</u>
<u>\$10,428</u>	<u>\$6,527</u>	<u>\$32,246</u>	<u>\$1,875</u>	<u>\$1,365,008</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, 2014

	<u>(125) Blacktop Maintenance Fund</u>	<u>(126) Transportation Studies</u>	<u>(150) Parks and Recreation Fund</u>
<b>Revenues:</b>			
General property taxes	\$189,968	\$87	\$34,562
Investment income	2,533	819	183
Contributions and donations	-	10,000	6,000
Miscellaneous	-	-	6,693
<b>Total revenues</b>	<u>192,501</u>	<u>10,906</u>	<u>47,438</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Public safety	-	12,195	-
Public works	94,633	-	-
Parks and recreation	-	-	35,001
Economic development	-	-	-
<b>Total expenditures</b>	<u>94,633</u>	<u>12,195</u>	<u>35,001</u>
<b>Revenues over (under) expenditures</b>	<u>97,868</u>	<u>(1,289)</u>	<u>12,437</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	-	-
Transfers out	-	(119,973)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(119,973)</u>	<u>-</u>
<b>Net change in fund balance</b>	97,868	(121,262)	12,437
<b>Fund balance - January 1</b>	<u>1,005,456</u>	<u>265,540</u>	<u>53,069</u>
<b>Fund balance - December 31</b>	<u><u>\$1,103,324</u></u>	<u><u>\$144,278</u></u>	<u><u>\$65,506</u></u>

<u>(230) Charitable Gambling</u>	<u>(250) Sunrise River WMO Fund</u>	<u>(240) Economic Development Authority</u>	<u>(241) EDA HRA Levy</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$9,073	\$66,809	\$74,024	\$374,523
12	9	14	-	3,570
-	-	3,300	-	19,300
9,884	-	144	-	16,721
<u>9,896</u>	<u>9,082</u>	<u>70,267</u>	<u>74,024</u>	<u>414,114</u>
1,100	-	-	-	13,295
-	9,202	-	-	103,835
-	-	-	-	35,001
-	-	9,241	-	9,241
<u>1,100</u>	<u>9,202</u>	<u>9,241</u>	<u>0</u>	<u>161,372</u>
<u>8,796</u>	<u>(120)</u>	<u>61,026</u>	<u>74,024</u>	<u>252,742</u>
-	-	-	2,500	2,500
-	-	(53,362)	(75,267)	(248,602)
-	-	(53,362)	(72,767)	(246,102)
8,796	(120)	7,664	1,257	6,640
<u>1,632</u>	<u>6,647</u>	<u>24,367</u>	<u>-</u>	<u>1,356,711</u>
<u>\$10,428</u>	<u>\$6,527</u>	<u>\$32,031</u>	<u>\$1,257</u>	<u>\$1,363,351</u>

**CITY OF COLUMBUS, MINNESOTA**  
**SUBCOMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**  
December 31, 2014

	(310) 2010A Improvement Bonds	(314) Bonds of 2014 Road Improvements
<b>Assets</b>		
Cash and investments	\$92,672	\$82,404
Property taxes receivable	122	-
Special assessments receivable	116,776	261,736
<b>Total assets</b>	<b>\$209,570</b>	<b>\$344,140</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>		
<b>Liabilities:</b>		
Accounts payable	\$ -	\$ -
<b>Deferred inflows of resources:</b>		
Unavailable revenue	116,776	261,736
<b>Fund balance:</b>		
Restricted	92,794	82,404
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$209,570</b>	<b>\$344,140</b>

(340) Hornsby Bond 2012A	(372) Bonds of 2007A	(375) Bond Reserve Fund	Total Nonmajor Debt Service Funds
\$121,057	\$115,969	\$281	\$412,383
1,616	3,137	349	5,224
-	-	23,215	401,727
<u>\$122,673</u>	<u>\$119,106</u>	<u>\$23,845</u>	<u>\$819,334</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	23,215	401,727
<u>122,673</u>	<u>119,106</u>	<u>630</u>	<u>417,607</u>
<u>\$122,673</u>	<u>\$119,106</u>	<u>\$23,845</u>	<u>\$819,334</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, 2014

	(310) 2010 A Improvement Bonds	(314) Bonds of 2014 Road Improvements
<b>Revenues:</b>		
General property taxes	\$ -	\$ -
Special assessments	35,246	82,391
Investment income	252	13
Total revenues	<u>35,498</u>	<u>82,404</u>
<b>Expenditures:</b>		
Debt service:		
Principal	25,000	-
Interest and other	9,441	-
Fiscal and other charges	-	-
Total expenditures	<u>34,441</u>	<u>0</u>
Revenues over (under) expenditures	<u>1,057</u>	<u>82,404</u>
<b>Other financing sources (uses):</b>		
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balance	1,057	82,404
Fund balance - January 1	<u>91,737</u>	<u>-</u>
Fund balance - December 31	<u><u>\$92,794</u></u>	<u><u>\$82,404</u></u>

(340) Hornsby Bond 2012A	(372) Bonds of 2007A	(375) Bond Reserve Fund	Total Nonmajor Debt Service Funds
\$65,830	\$127,788	\$ -	\$193,618
-	-	16,625	134,262
32	132	190	619
<u>65,862</u>	<u>127,920</u>	<u>16,815</u>	<u>328,499</u>
45,000	85,000	-	155,000
18,195	38,703	-	66,339
-	451	-	451
<u>63,195</u>	<u>124,154</u>	<u>0</u>	<u>221,790</u>
<u>2,667</u>	<u>3,766</u>	<u>16,815</u>	<u>106,709</u>
119,973	-	-	119,973
-	-	(77,500)	(77,500)
<u>119,973</u>	<u>-</u>	<u>(77,500)</u>	<u>42,473</u>
122,640	3,766	(60,685)	149,182
33	115,340	61,315	268,425
<u>\$122,673</u>	<u>\$119,106</u>	<u>\$630</u>	<u>\$417,607</u>

**CITY OF COLUMBUS, MINNESOTA**  
**SUBCOMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
 December 31, 2014

	(401) Road & Bridge Capital Fund	(402) Fire Hall Capital Fund
	<u>                    </u>	<u>                    </u>
Assets		
Cash and investments	\$305,605	\$15,794
Property taxes receivable	1,941	24
	<u>                    </u>	<u>                    </u>
Total assets	<u>\$307,546</u>	<u>\$15,818</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ -	\$ -
	<u>                    </u>	<u>                    </u>
Fund balance (deficit):		
Committed	307,546	15,818
Total fund balance (deficit)	<u>307,546</u>	<u>15,818</u>
	<u>                    </u>	<u>                    </u>
Total liabilities and fund balance	<u>\$307,546</u>	<u>\$15,818</u>

(403) Park Capital Expenditure Fund	(404) Park Land Fund	(414) 2014 Road Improvement	Total Nonmajor Capital Project Funds
\$18,841 24	\$9,410 -	\$85,262 -	\$434,912 1,989
<u>\$18,865</u>	<u>\$9,410</u>	<u>\$85,262</u>	<u>\$436,901</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$13,864</u>	<u>\$13,864</u>
<u>18,865</u>	<u>9,410</u>	<u>71,398</u>	<u>423,037</u>
<u>18,865</u>	<u>9,410</u>	<u>71,398</u>	<u>423,037</u>
<u><u>\$18,865</u></u>	<u><u>\$9,410</u></u>	<u><u>\$85,262</u></u>	<u><u>\$436,901</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, 2014

	<u>(401) Road &amp; Bridge Capital Fund</u>	<u>(402) Fire Hall Capital Fund</u>
Revenues:		
Taxes:		
General property taxes	\$80,264	\$1,009
Investment income	813	49
Miscellaneous	-	-
Total revenues	<u>81,077</u>	<u>1,058</u>
Expenditures:		
Public works:		
Capital outlay/project costs	-	-
Debt service		
Cost of issuance	-	-
Total expenditures	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>81,077</u>	<u>1,058</u>
Other financing sources (uses):		
Bonds issued	-	-
Transfer in	-	-
Transfer out	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balance	81,077	1,058
Fund balance - January 1	<u>226,469</u>	<u>14,760</u>
Fund balance - December 31	<u><u>\$307,546</u></u>	<u><u>\$15,818</u></u>

(403) Park Capital Expenditure Fund	(404) Park Land Fund	(414) 2014 Road Improvement	(440) Hornsby Street	(441) Trunk Sewer Capital Projects Fund	Total Nonmajor Capital Project Funds
\$974	\$ -	\$ -	\$ -	\$ -	\$82,247
72	34	42	635	-	1,645
2,925	2,288	-	-	-	5,213
<u>3,971</u>	<u>2,322</u>	<u>42</u>	<u>635</u>	<u>0</u>	<u>89,105</u>
7,616	1,142	311,439	183,134	-	503,331
-	-	13,205	-	-	13,205
<u>7,616</u>	<u>1,142</u>	<u>324,644</u>	<u>183,134</u>	<u>-</u>	<u>516,536</u>
<u>(3,645)</u>	<u>1,180</u>	<u>(324,602)</u>	<u>(182,499)</u>	<u>0</u>	<u>(427,431)</u>
-	-	396,000	-	-	396,000
-	-	-	-	206,355	206,355
-	-	-	(35,573)	-	(35,573)
<u>-</u>	<u>-</u>	<u>396,000</u>	<u>(35,573)</u>	<u>206,355</u>	<u>566,782</u>
(3,645)	1,180	71,398	(218,072)	206,355	139,351
22,510	8,230	-	218,072	(206,355)	283,686
<u>\$18,865</u>	<u>\$9,410</u>	<u>\$71,398</u>	<u>\$0</u>	<u>\$0</u>	<u>\$423,037</u>

**CITY OF COLUMBUS, MINNESOTA**  
**SPECIAL REVENUE FUND - (125) BLACKTOP MAINTENANCE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For The Year Ended December 31, 2014

**Statement 22**

	2014			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
General property taxes	\$188,400	\$188,400	\$189,968	\$1,568
Investment income	1,600	1,600	2,533	933
Total revenues	<u>190,000</u>	<u>190,000</u>	<u>192,501</u>	<u>2,501</u>
Expenditures:				
Public works:				
Blacktop maintenance	<u>190,000</u>	<u>190,000</u>	<u>94,633</u>	<u>95,367</u>
Revenues over expenditures	<u>\$0</u>	<u>\$0</u>	97,868	<u>\$97,868</u>
Fund balance - January 1			<u>1,005,456</u>	
Fund balance - December 31			<u>\$1,103,324</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, 2014

**Statement 23**

	2014			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
General property taxes	\$ -	\$ -	\$87	\$87
Contributions and donations	10,000	10,000	10,000	-
Investment income	-	-	819	819
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>10,906</u>	<u>906</u>
Expenditures:				
Public safety:				
Traffic control devices	10,000	10,000	12,195	(2,195)
Revenues over (under) expenditures	0	0	(1,289)	(1,289)
Other financing sources (uses):				
Transfers out	-	-	(119,973)	(119,973)
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	(121,262)	<u>(\$121,262)</u>
Fund balance - January 1			<u>265,540</u>	
Fund balance - December 31			<u>\$144,278</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, 2014

**Statement 24**

	2014			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
General property taxes	\$34,281	\$34,281	\$34,562	\$281
Investment income	100	100	183	83
Contributions and donations	6,000	6,000	6,000	-
Miscellaneous	6,144	6,144	6,693	549
Total revenues	<u>46,525</u>	<u>46,525</u>	<u>47,438</u>	<u>913</u>
Expenditures:				
Parks and recreation	<u>46,525</u>	<u>46,525</u>	<u>35,001</u>	<u>11,524</u>
Revenues over expenditures	<u>\$0</u>	<u>\$0</u>	12,437	<u>\$12,437</u>
Fund balance - January 1			<u>53,069</u>	
Fund balance - December 31			<u><u>\$65,506</u></u>	

**CITY OF COLUMBUS, MINNESOTA**

SPECIAL REVENUE FUND - (240) ECONOMIC DEVELOPMENT AUTHORITY

**Statement 25**

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2014

	2014			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
General property taxes	\$67,712	\$67,712	\$66,809	(\$903)
Investment income	-	-	14	14
Contributions	3,300	3,300	3,300	-
Miscellaneous	250	250	144	(106)
Total revenues	<u>71,262</u>	<u>71,262</u>	<u>70,267</u>	<u>(995)</u>
Expenditures:				
Economic development	<u>17,900</u>	<u>17,900</u>	<u>9,241</u>	<u>8,659</u>
Revenues over (under) expenditures	53,362	53,362	61,026	7,664
Other financing sources:				
Transfers out	<u>(53,362)</u>	<u>(53,362)</u>	<u>(53,362)</u>	<u>-</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	7,664	<u>\$7,664</u>
Fund balance - January 1			<u>24,367</u>	
Fund balance - December 31			<u>\$32,031</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, 2014

**Statement 26**

	2014			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
General property taxes	\$75,267	\$75,267	\$74,024	(\$1,243)
Total revenues	<u>75,267</u>	<u>75,267</u>	<u>74,024</u>	<u>(1,243)</u>
Expenditures:				
Public works	-	-	-	-
Revenues over (under) expenditures	75,267	75,267	74,024	(1,243)
Other financing sources:				
Transfers in	-	-	2,500	2,500
Transfers out	<u>(75,267)</u>	<u>(75,267)</u>	<u>(75,267)</u>	<u>-</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	1,257	<u>\$1,257</u>
Fund balance - January 1			-	
Fund balance - December 31			<u>\$1,257</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, 2014

**Statement 27**

	2014			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
General property taxes	\$9,070	\$9,070	\$9,073	\$3
Investment income	-	-	9	9
Total revenues	<u>9,070</u>	<u>9,070</u>	<u>9,082</u>	<u>12</u>
Expenditures:				
Public works	<u>9,070</u>	<u>9,070</u>	<u>9,202</u>	<u>(132)</u>
Revenues over (under) expenditures	<u>\$0</u>	<u>\$0</u>	(120)	<u>(\$120)</u>
Fund balance - January 1			<u>6,647</u>	
Fund balance - December 31			<u>\$6,527</u>	

**CITY OF COLUMBUS, MINNESOTA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
For The Year Ended December 31, 2014

**Statement 28**

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	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
<u>General Escrow Agency Fund:</u>				
Assets:				
Cash and investments	\$20,124	\$5,000	(\$5,374)	\$19,750
Total assets	<u>\$20,124</u>	<u>\$5,000</u>	<u>(\$5,374)</u>	<u>\$19,750</u>
Liabilities:				
Deposits payable	\$20,124	\$5,000	(\$5,374)	\$19,750
Total liabilities	<u>\$20,124</u>	<u>\$5,000</u>	<u>(\$5,374)</u>	<u>\$19,750</u>