

CITY OF COLUMBUS, MINNESOTA

ANNUAL FINANCIAL REPORT

December 31, 2017

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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, 2018
Councilmembers: Bill Krebs	December 31, 2018
Denny Peterson	December 31, 2020
Jeff Duraine	December 31, 2020
Mark Daly	December 31, 2018

APPOINTED OFFICIALS

City Administrator	Elizabeth Mursko
Deputy Treasurer	Vacant
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, 2017, 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, 2017, 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 2016 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 19, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, the schedule of proportionate share of net pension liability, the schedule of pension contributions and the notes to RSI, on pages 11 - 17 and 62 - 70, 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 May 30, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Columbus, Minnesota's 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

May 30, 2018

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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, 2017.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$19,157,492 (net position). The components of net position are as follows:

Net investment in capital assets	\$12,912,102
Restricted for debt service	2,131,958
Unrestricted	4,113,432

- At the end of the current fiscal year the governmental fund balance was \$9,225,475, an increase of \$558,935. The increase is primarily due to building permit revenues and building capital balances for future blacktop maintenance and capital purchases.
- The City had total long-term debt outstanding of \$10,249,327 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 are comprised 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 resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

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

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

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

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 financial statements and schedules are presented as statements 16 through 30 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 \$19,157,492 at the close of the most recent fiscal year.

A portion of the City's net position (\$12,912,102) 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	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$15,264,875	\$15,019,875	\$194,998	\$178,307	\$15,459,873	\$15,198,182
Capital assets	7,126,806	7,119,141	8,237,793	8,291,741	15,364,599	15,410,882
Total assets	<u>\$22,391,681</u>	<u>\$22,139,016</u>	<u>\$8,432,791</u>	<u>\$8,470,048</u>	<u>\$30,824,472</u>	<u>\$30,609,064</u>
Total deferred outflows of resources	\$109,624	\$242,497	\$ -	\$ -	\$109,624	\$242,497
Long-term liabilities outstanding	\$9,671,167	\$10,825,281	\$ -	\$ -	\$9,671,167	\$10,825,281
Other liabilities	1,379,347	1,332,229	621,554	663,206	2,000,901	1,995,435
Total liabilities	<u>\$11,050,514</u>	<u>\$12,157,510</u>	<u>\$621,554</u>	<u>\$663,206</u>	<u>\$11,672,068</u>	<u>\$12,820,716</u>
Total deferred inflows of resources	\$104,536	\$92,117	\$ -	\$ -	\$104,536	\$92,117
Net position:						
Net investment in capital assets	\$4,674,309	\$4,301,285	\$8,237,793	\$8,291,741	\$12,912,102	\$12,593,026
Restricted for debt service	2,131,958	1,908,779	-	-	2,131,958	1,908,779
Unrestricted	4,539,988	3,921,822	(426,556)	(484,899)	4,113,432	3,436,923
Total net position	<u>\$11,346,255</u>	<u>\$10,131,886</u>	<u>\$7,811,237</u>	<u>\$7,806,842</u>	<u>\$19,157,492</u>	<u>\$17,938,728</u>

Management's Discussion and Analysis

Governmental Activities

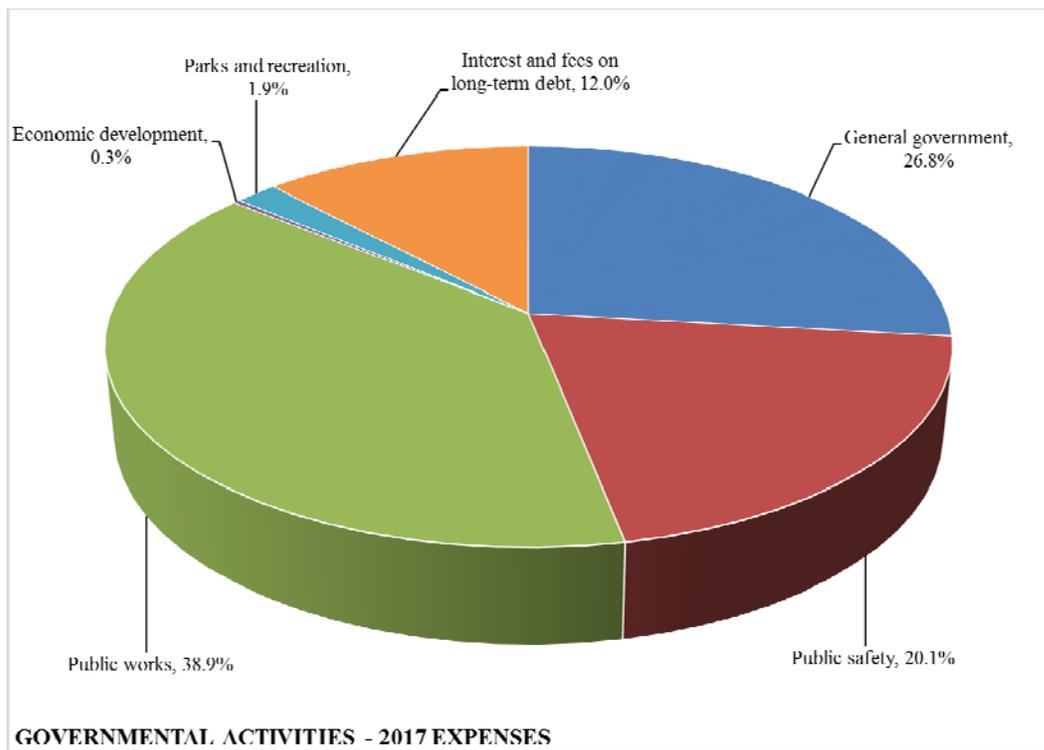
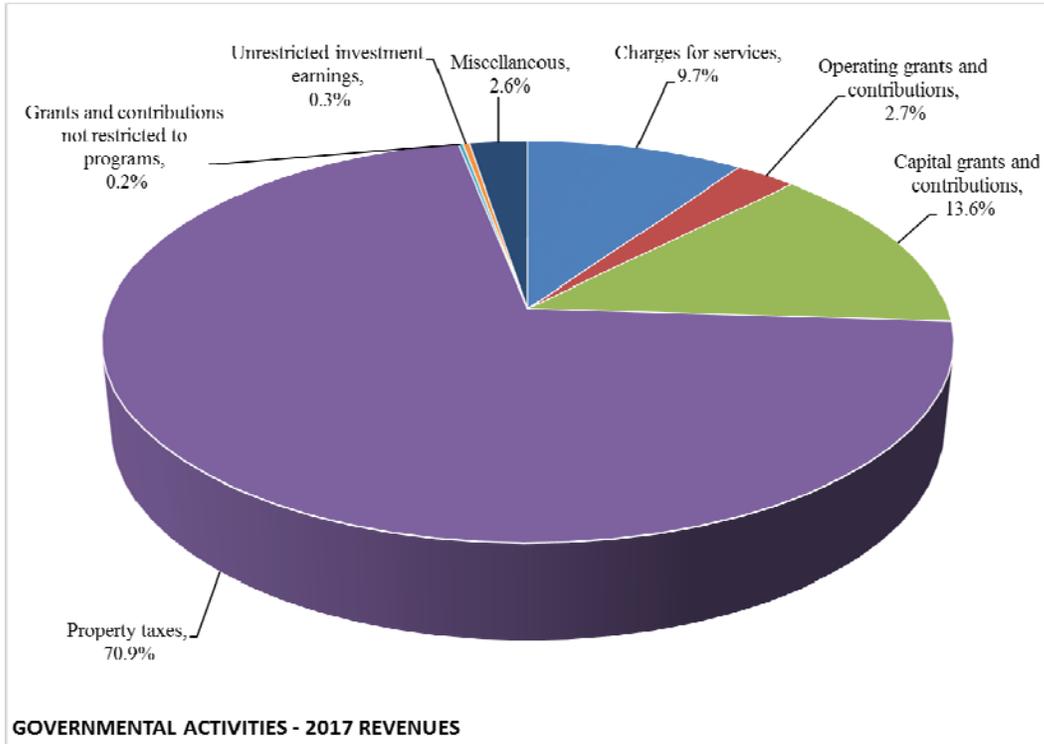
Governmental activities resulted in an increase of the City's net position by \$1,214,369 while Business-Type activities resulted in an increase of the City's net position by \$4,395. The details of the change are as follows:

City of Columbus, Minnesota's Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Program revenues:						
Charges for services	\$394,639	\$290,064	\$154,453	\$168,501	\$549,092	\$458,565
Operating grants and contributions	110,371	107,668	-	-	110,371	107,668
Capital grants and contributions	551,949	283,103	138,134	28,266	690,083	311,369
General revenues:						
Property taxes	2,868,005	2,840,381	-	-	2,868,005	2,840,381
Grants and contributions not restricted to programs	6,426	6,842	-	-	6,426	6,842
Unrestricted investment earnings	12,007	11,938	322	292	12,329	12,230
Miscellaneous	107,289	23,469	-	-	107,289	23,469
Total revenues	<u>4,050,686</u>	<u>3,563,465</u>	<u>292,909</u>	<u>197,059</u>	<u>4,343,595</u>	<u>3,760,524</u>
Expenses:						
General	760,731	670,880	-	-	760,731	670,880
Public safety	569,538	521,005	-	-	569,538	521,005
Public works	1,103,554	916,113	-	-	1,103,554	916,113
Economic development	8,632	19,423	-	-	8,632	19,423
Parks and recreation	52,576	46,669	-	-	52,576	46,669
Water	-	-	149,621	131,821	149,621	131,821
Sewer	-	-	138,893	145,711	138,893	145,711
Interest and fees on long-term debt	341,126	353,536	-	-	341,126	353,536
Total expenses	<u>2,836,157</u>	<u>2,527,626</u>	<u>288,514</u>	<u>277,532</u>	<u>3,124,671</u>	<u>2,805,158</u>
Change in net position	<u>1,214,529</u>	<u>1,035,839</u>	<u>4,395</u>	<u>(80,473)</u>	<u>1,218,924</u>	<u>955,366</u>
Net position - January 1, as previously reported	10,131,886	9,096,047	7,806,842	7,887,315	17,938,728	16,983,362
Prior period adjustment	-	-	-	-	-	-
Net position - January 1, as restated	<u>10,131,886</u>	<u>9,096,047</u>	<u>7,806,842</u>	<u>7,887,315</u>	<u>17,938,728</u>	<u>16,983,362</u>
Net position - December 31	<u>\$11,346,415</u>	<u>\$10,131,886</u>	<u>\$7,811,237</u>	<u>\$7,806,842</u>	<u>\$19,157,652</u>	<u>\$17,938,728</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 \$9,225,475.

The General Fund increased by \$139,816 in 2017.

Budgetary Highlights

General Fund. The City budgeted for no change in fund balance while the actual increase was \$139,816. Revenues were over budget by \$217,038 and expenses and transfers out were over budget \$77,222.

Capital Asset and Debt Administration

Capital assets. The City's net investment in capital assets as of December 31, 2017, amounts to \$15,364,599. Detail of the capital assets is as follows.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land (not depreciated)	\$532,802	\$532,802	\$ -	\$ -	\$532,802	\$532,802
Buildings	1,567,690	1,614,831	-	-	1,567,690	1,614,831
Roads	4,545,035	4,406,417	8,237,793	8,263,475	12,782,828	12,669,892
Vehicles and equipment	481,279	565,091	-	-	481,279	565,091
Construction in progress	-	-	-	28,266	-	28,266
	<u>\$7,126,806</u>	<u>\$7,119,141</u>	<u>\$8,237,793</u>	<u>\$8,291,741</u>	<u>\$15,364,599</u>	<u>\$15,410,882</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 \$10,164,000 a net change of \$1,000,000 from 2016.

City of Columbus, Minnesota's Outstanding Debt

	<u>2017</u>	<u>2016</u>
General Obligation Improvement Bonds	\$10,164,000	\$11,164,000

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

Statement 1

December 31, 2017

With Comparative Totals For December 31, 2016

	Primary Government			
	Governmental Activities	Business-Type Activities	Totals	
			2017	2016
Assets:				
Cash and investments	\$5,834,091	\$151,444	\$5,985,535	\$5,242,270
Accounts receivable - net	9,493	43,554	53,047	24,717
Due from other governments	10,177	-	10,177	40,217
Internal balances	613,918	(613,918)	-	-
Property taxes receivable	133,927	-	133,927	176,737
Special assessments receivable	5,744,061	-	5,744,061	6,135,088
Land held for resale	2,919,208	-	2,919,208	2,919,208
Capital assets (net of accumulated depreciation):				
Land	532,802	-	532,802	532,802
Buildings	1,567,690	-	1,567,690	1,614,831
Infrastructure	4,545,035	8,237,793	12,782,828	12,669,892
Vehicles and equipment	481,279	-	481,279	565,091
Construction in progress	-	-	-	28,266
Total assets	22,391,681	7,818,873	30,210,554	29,949,119
Deferred outflows of resources:				
Related to pensions	109,624	-	109,624	242,497
Liabilities:				
Accounts payable	73,479	971	74,450	36,381
Salaries payable	15,172	-	15,172	15,778
Due to other governments	124,127	6,665	130,792	121,088
Unearned revenue	-	-	-	1,200
Accrued interest payable	141,534	-	141,534	150,665
Compensated absences payable:				
Due within one year	12,035	-	12,035	10,378
Due in more than one year	30,193	-	30,193	26,036
Bonds payable:				
Due within one year	1,013,000	-	1,013,000	1,000,000
Due in more than one year	9,194,099	-	9,194,099	10,214,641
Net pension liability:				
Due in more than one year	446,875	-	446,875	584,604
Total liabilities	11,050,514	7,636	11,058,150	12,160,771
Deferred inflows of resources:				
Related to pensions	104,536	-	104,536	92,117
Net position:				
Net investment in capital assets	4,674,309	8,237,793	12,912,102	12,593,026
Restricted for debt service	2,131,958	-	2,131,958	1,908,779
Unrestricted	4,539,988	(426,556)	4,113,432	3,436,923
Total net position	\$11,346,255	\$7,811,237	\$19,157,492	\$17,938,728

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

CITY OF COLUMBUS, MINNESOTA
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2017
With Comparative Totals For December 31, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>
		<u>Charges For</u> <u>Services</u>
Primary government:		
Governmental activities:		
General government	\$760,731	\$94,521
Public safety	569,538	168,266
Public works	1,103,554	99,071
Economic development	8,632	-
Parks and recreation	52,576	32,781
Interest on long-term debt	341,126	-
Total governmental activities	<u>2,836,157</u>	<u>394,639</u>
Business-type activities:		
Water	149,621	77,948
Sewer	138,893	76,505
Total business-type activities	<u>288,514</u>	<u>154,453</u>
Total primary government	<u><u>\$3,124,671</u></u>	<u><u>\$549,092</u></u>

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

Program Revenues		Net (Expense) Revenue and Changes in Net Position Primary Government			
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals	
				2017	2016
\$38,461	\$ -	(\$627,749)	\$ -	(\$627,749)	(\$571,839)
53,237	-	(348,035)	-	(348,035)	(320,470)
9,592	551,949	(442,942)	-	(442,942)	(613,195)
3,166	-	(5,466)	-	(5,466)	(12,373)
5,755	-	(14,040)	-	(14,040)	(460)
-	-	(341,126)	-	(341,126)	(353,536)
<u>110,211</u>	<u>551,949</u>	<u>(1,779,358)</u>	<u>0</u>	<u>(1,779,358)</u>	<u>(1,871,873)</u>
-	138,134	-	66,461	66,461	(23,542)
-	-	-	(62,388)	(62,388)	(57,223)
<u>0</u>	<u>138,134</u>	<u>0</u>	<u>4,073</u>	<u>4,073</u>	<u>(80,765)</u>
<u>\$110,211</u>	<u>\$690,083</u>	<u>(1,779,358)</u>	<u>4,073</u>	<u>(1,775,285)</u>	<u>(1,952,638)</u>
General revenues:					
General property taxes		2,868,005	-	2,868,005	\$2,840,381
Grants and contributions not restricted to specific programs		6,426	-	6,426	6,842
Unrestricted investment earnings		12,007	322	12,329	12,230
Miscellaneous		107,289	-	107,289	48,551
Total general revenues		<u>2,993,727</u>	<u>322</u>	<u>2,994,049</u>	<u>2,908,004</u>
Change in net position		1,214,369	4,395	1,218,764	955,366
Net position - January 1		<u>10,131,886</u>	<u>7,806,842</u>	<u>17,938,728</u>	<u>16,983,362</u>
Net position - December 31		<u>\$11,346,255</u>	<u>\$7,811,237</u>	<u>\$19,157,492</u>	<u>\$17,938,728</u>

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

CITY OF COLUMBUS, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017
With Comparative Totals For December 31, 2016

	(100) General Fund	(120) Public Works Special Revenue Fund	(125) Blacktop Maintenance Special Revenue Fund	(142) Public Safety Special Revenue Fund	(350) Bonds of 2012A - Refunding Portion Debt Service Fund	(371) Bonds of 2007B
Assets						
Cash and investments	\$1,363,997	\$570,839	\$867,915	\$621,731	\$464,005	\$318,234
Accounts receivable - net	3,783	1,772	-	1,740	-	-
Due from other governments	10,177	-	-	-	-	-
Due from other funds	1,628,642	-	-	-	-	-
Property taxes receivable	100,792	7,663	5,940	6,568	-	-
Special assessments receivable	12,741	-	190,090	-	2,473,857	2,844,441
Land held for resale	-	-	-	-	-	-
Total assets	\$3,120,132	\$580,274	\$1,063,945	\$630,039	\$2,937,862	\$3,162,675
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities:						
Accounts payable	\$48,102	\$3,634	\$ -	\$652	\$ -	\$ -
Salaries payable	11,144	4,028	-	-	-	-
Due to other governments	3,317	39,505	-	81,305	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	62,563	47,167	0	81,957	0	0
Deferred inflows of resources:						
Unavailable revenue	99,649	-	190,090	-	2,471,520	2,842,442
Total deferred inflows of resources	99,649	0	190,090	0	2,471,520	2,842,442
Fund balance:						
Nonspendable	1,628,642	-	-	-	-	-
Restricted	-	-	-	-	466,342	320,233
Committed	-	530,480	856,897	542,052	-	-
Assigned	-	2,627	16,958	6,030	-	-
Unassigned	1,329,278	-	-	-	-	-
Total fund balance	2,957,920	533,107	873,855	548,082	466,342	320,233
Total liabilities, deferred inflows of resources, and fund balance	\$3,120,132	\$580,274	\$1,063,945	\$630,039	\$2,937,862	\$3,162,675

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

(480) EDA Quad 35 Project Fund	(481/482) EDA Quad Bond/Reserve Fund	(360) G.O. Tax Abatement Bond Fund	Other Governmental Funds	Intra-Activity Eliminations	Total Governmental Funds	
					2017	2016
\$67,720	\$ -	\$208,757	\$1,350,893	\$ -	\$5,834,091	\$5,116,221
-	-	-	2,198	-	9,493	725
-	-	-	-	-	10,177	11,951
-	-	-	-	(1,014,724)	613,918	659,945
-	-	3,846	9,118	-	133,927	176,737
-	-	-	222,932	-	5,744,061	6,135,088
2,919,208	-	-	-	-	2,919,208	2,919,208
<u>\$2,986,928</u>	<u>\$0</u>	<u>\$212,603</u>	<u>\$1,585,141</u>	<u>(\$1,014,724)</u>	<u>\$15,264,875</u>	<u>\$15,019,875</u>
\$14,807	\$ -	\$ -	\$6,284	\$ -	\$73,479	\$34,503
-	-	-	-	-	15,172	15,778
-	-	-	-	-	124,127	119,705
-	1,007,416	-	7,308	(1,014,724)	-	-
-	-	-	-	-	-	1,200
<u>14,807</u>	<u>1,007,416</u>	<u>0</u>	<u>13,592</u>	<u>(1,014,724)</u>	<u>212,778</u>	<u>171,186</u>
-	-	-	222,921	-	5,826,622	6,182,149
<u>0</u>	<u>0</u>	<u>0</u>	<u>222,921</u>	<u>0</u>	<u>5,826,622</u>	<u>6,182,149</u>
-	-	-	-	-	1,628,642	1,668,261
2,972,121	-	212,603	585,609	-	4,556,908	4,374,094
-	-	-	758,204	-	2,687,633	2,487,590
-	-	-	12,973	-	38,588	-
-	(1,007,416)	-	(8,158)	-	313,704	136,595
<u>2,972,121</u>	<u>(1,007,416)</u>	<u>212,603</u>	<u>1,348,628</u>	<u>0</u>	<u>9,225,475</u>	<u>8,666,540</u>
<u>\$2,986,928</u>	<u>\$0</u>	<u>\$212,603</u>	<u>\$1,585,141</u>	<u>(\$1,014,724)</u>	<u>\$15,264,875</u>	<u>15,019,875</u>
Fund balance reported above					\$9,225,475	\$8,666,540
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.					7,126,806	7,119,141
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					86,908	87,274
Assessments not yet due or delinquent					5,739,714	6,094,875
Deferred outflows of resources - pension related are not current financial resources and, therefore, are not reported in the funds.					109,624	242,497
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:						
Accrued interest payable					(141,534)	(150,665)
Bonds payable					(10,164,000)	(11,164,000)
Unamortized bond premium/discount					(43,099)	(50,641)
Compensated absences					(42,228)	(36,414)
Net pension liability					(446,875)	(584,604)
Deferred inflows of resources - pension related are associated with long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.					(104,536)	(92,117)
Net position of governmental activities					<u>\$11,346,255</u>	<u>\$10,131,886</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, 2017
With Comparative Totals For the Year Ended December 31, 2016

	(100) General Fund	(120) Public Works Special Revenue Fund	(125) Blacktop Maintenance Special Revenue Fund	(142) Public Safety Special Revenue Fund	(350) Bonds of 2012A - Refunding Portion Debt Service Fund	(371) Bonds of 2007B
Revenues:						
General property taxes	\$867,367	\$461,271	\$357,580	\$395,382	\$ -	\$ -
Licenses and permits	187,079	-	-	-	-	-
Intergovernmental	31,316	458	19,858	-	-	-
Special assessments	-	-	-	-	466,496	153,060
Investment income	4,647	1,216	2,058	1,279	291	18
Contributions and donations	12,950	-	-	53,237	-	-
Miscellaneous	164,005	1,411	14,900	4,751	-	-
Total revenues	1,267,364	464,356	394,396	454,649	466,787	153,078
Expenditures:						
Current:						
General government	726,423	-	-	-	-	-
Public safety	92,328	-	-	461,184	-	-
Public works	-	426,204	255,711	-	-	-
Parks and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay	8,797	11,168	-	-	-	-
Debt service	-	-	-	-	480,604	388,800
Fiscal and other charges	-	-	-	-	1,218	450
Total expenditures	827,548	437,372	255,711	461,184	481,822	389,250
Revenues over (under) expenditures	439,816	26,984	138,685	(6,535)	(15,035)	(236,172)
Other financing sources (uses):						
Transfers in	-	-	-	12,000	50,000	300,000
Transfers out	(300,000)	-	(160,381)	-	-	-
Total other financing sources (uses)	(300,000)	0	(160,381)	12,000	50,000	300,000
Net change in fund balance	139,816	26,984	(21,696)	5,465	34,965	63,828
Fund balance - January 1	2,818,104	506,123	895,551	542,617	431,377	256,405
Fund balance - December 31	\$2,957,920	\$533,107	\$873,855	\$548,082	\$466,342	\$320,233

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

(480) EDA Quad 35 Project Fund	(481/482) EDA Quad Bond/Reserve Fund	(360) G.O. Tax Abatement Bond Fund	Other Governmental Funds	Intra-Activity Eliminations	Total Governmental Funds	
					2017	2016
\$ -	\$ -	\$231,944	\$554,817	\$ -	\$2,868,361	\$2,829,291
-	-	-	-	-	187,079	171,884
-	-	-	19,858	-	71,490	23,782
-	-	-	192,839	-	812,395	674,790
2	-	144	2,352	-	12,007	11,938
-	-	-	73,513	-	139,700	88,450
75,000	-	-	54,791	-	314,858	166,731
<u>75,002</u>	<u>0</u>	<u>232,088</u>	<u>898,170</u>	<u>0</u>	<u>4,405,890</u>	<u>3,966,866</u>
-	-	-	-	-	726,423	651,634
-	-	-	6,979	-	560,491	511,689
-	-	-	60,371	-	742,286	543,885
-	-	-	43,151	-	43,151	37,244
22,089	-	-	8,632	-	30,721	39,515
-	-	-	365,669	-	385,634	202,288
-	-	214,214	270,115	-	1,353,733	1,332,271
-	-	450	2,398	-	4,516	3,018
<u>22,089</u>	<u>0</u>	<u>214,664</u>	<u>757,315</u>	<u>0</u>	<u>3,846,955</u>	<u>3,321,544</u>
<u>52,913</u>	<u>0</u>	<u>17,424</u>	<u>140,855</u>	<u>0</u>	<u>558,935</u>	<u>645,322</u>
-	-	-	160,381	(522,381)	-	-
-	-	-	(62,000)	522,381	-	-
<u>0</u>	<u>0</u>	<u>0</u>	<u>98,381</u>	<u>0</u>	<u>0</u>	<u>0</u>
52,913	0	17,424	239,236	0	558,935	645,322
2,919,208	(1,007,416)	195,179	1,109,392	-	8,666,540	8,021,218
<u>\$2,972,121</u>	<u>(\$1,007,416)</u>	<u>\$212,603</u>	<u>\$1,348,628</u>	<u>\$0</u>	<u>\$9,225,475</u>	<u>\$8,666,540</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, 2017
With Comparative Amounts For December 31, 2016

Statement 5

	<u>2017</u>	<u>2016</u>
Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances - total governmental funds (Statement 4)	\$558,935	\$645,322
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	(342,562)	(340,002)
Capital outlay	385,634	202,288
Capital outlay not capitalized	(35,407)	(36,436)
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	(366)	11,090
Change in special assessments	(355,161)	(391,687)
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	1,000,000	900,000
Bond premium/discounts	7,542	29,731
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	9,131	52,022
Change in compensated absences payable	(5,814)	(8,713)
Governmental funds report pension contributions as expenditures, however, pension expense is reported in the statement of activities. This is the amount by which pension expense exceeded pension contributions:		
Pension contributions	\$34,659	
Pension expense	(42,222)	(27,776)
Change in net position of governmental activities (Statement 2)	<u>\$1,214,369</u>	<u>\$1,035,839</u>

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

CITY OF COLUMBUS, MINNESOTA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

December 31, 2017

With Comparative Totals For December 31, 2016

Statement 6

	Sewer Fund	Water Fund	Total Enterprise Funds	
			2017	2016
Assets:				
Current assets:				
Cash and investments	\$151,444	\$ -	\$151,444	\$126,049
Accounts receivable - net	23,743	19,811	43,554	23,992
Due from other governments	-	-	-	28,266
Total current assets	175,187	19,811	194,998	178,307
Capital assets:				
Construction in progress	-	-	-	28,266
Infrastructure	4,635,093	5,427,472	10,062,565	9,886,998
Less: accumulated depreciation	(930,315)	(894,457)	(1,824,772)	(1,623,523)
Total capital assets	3,704,778	4,533,015	8,237,793	8,291,741
Total assets	3,879,965	4,552,826	8,432,791	8,470,048
Liabilities:				
Current liabilities:				
Accounts payable	-	971	971	1,878
Due to other governments	4,970	1,695	6,665	1,383
Due to other funds	-	613,918	613,918	659,945
Total current liabilities	4,970	616,584	621,554	663,206
Net position:				
Investment in capital assets	3,704,778	4,533,015	8,237,793	8,291,741
Unrestricted	170,217	(596,773)	(426,556)	(484,899)
Total net position	\$3,874,995	\$3,936,242	\$7,811,237	7,806,842

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, 2017
With Comparative Totals For The Year Ended December 31, 2016

Statement 7

	Sewer Fund	Water Fund	Total Enterprise Funds	
			2017	2016
Operating revenues:				
Charges for services	\$76,505	\$77,948	\$154,453	\$168,501
Operating expenses:				
Supplies	5,912	-	5,912	6,561
Other services and charges	40,281	41,072	81,353	73,231
Depreciation	92,700	108,549	201,249	197,740
Total operating expenses	138,893	149,621	288,514	277,532
Operating income (loss)	(62,388)	(71,673)	(134,061)	(109,031)
Nonoperating revenue (expenses):				
Investment income	322	-	322	292
Total nonoperating revenue (expenses)	322	0	322	292
Income (loss) before capital contributions	(62,066)	(71,673)	(133,739)	(108,739)
Capital contributions - intergovernmental	-	138,134	138,134	28,266
Change in net position	(62,066)	66,461	4,395	(80,473)
Net position - January 1	3,937,061	3,869,781	7,806,842	7,887,315
Net position - December 31	\$3,874,995	\$3,936,242	\$7,811,237	\$7,806,842

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, 2017

With Comparative Totals For The Year Ended December 31, 2016

Statement 8

	Sewer Fund	Water Fund	Total Enterprise Funds	
			2017	2016
Cash flows from operating activities:				
Receipts from customers and users	\$66,890	\$68,001	\$134,891	\$168,591
Payment to suppliers	(41,817)	(41,073)	(82,890)	(78,784)
Net cash flows provided by operating activities	<u>25,073</u>	<u>26,928</u>	<u>52,001</u>	<u>89,807</u>
Cash flows from noncapital financing activities:				
Advances to/from other funds - net change	-	(46,027)	(46,027)	(26,104)
Net cash flows provided by (used in) noncapital financing activities	<u>0</u>	<u>(46,027)</u>	<u>(46,027)</u>	<u>(26,104)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	-	(147,301)	(147,301)	(28,266)
Intergovernmental	-	166,400	166,400	-
Net cash flows provided by (used in) capital and related financing activities	<u>0</u>	<u>19,099</u>	<u>19,099</u>	<u>(28,266)</u>
Cash flows from investing activities:				
Investment income	322	-	322	292
Net increase in cash and cash equivalents	25,395	-	25,395	35,729
Cash and cash equivalents - January 1	126,049	-	126,049	90,320
Cash and cash equivalents - December 31	<u>\$151,444</u>	<u>\$0</u>	<u>\$151,444</u>	<u>\$126,049</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(\$62,388)	(\$71,673)	(\$134,061)	(\$109,031)
Adjustment to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	92,700	108,549	201,249	197,740
Changes in assets and liabilities:				
(Increase) decrease in receivables	(9,615)	(9,947)	(19,562)	90
Increase (decrease) in payables, due to other governments	4,376	(1)	4,375	1,008
Total adjustments	<u>87,461</u>	<u>98,601</u>	<u>186,062</u>	<u>198,838</u>
Net cash provided by operating activities	<u>\$25,073</u>	<u>\$26,928</u>	<u>\$52,001</u>	<u>\$89,807</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, 2017
 With Comparative Totals For December 31, 2016

Statement 9

	<u>2017</u>	<u>2016</u>
Assets:		
Cash and investments	<u>\$369,965</u>	<u>\$6,750</u>
Total assets	<u><u>\$369,965</u></u>	<u><u>\$6,750</u></u>
Liabilities:		
Deposits payable	<u>\$369,965</u>	<u>\$6,750</u>
Total liabilities	<u><u>\$369,965</u></u>	<u><u>\$6,750</u></u>

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

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. FINANCIAL REPORTING ENTITY

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

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

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

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The City's only fiduciary funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

Property taxes, special assessments, intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

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

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

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

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

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

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

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

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

The City reports the following major proprietary funds:

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

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

In addition, the City reports the following fund type:

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. BUDGETS

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General and Special Revenue

CITY OF COLUMBUS, MINNESOTA
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 December 31, 2017

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.

The following is a listing of the General Fund departments and Special Revenue Funds whose expenditures exceed budget appropriations:

	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Major Fund:			
General Fund			
General Government	\$591,526	\$735,220	\$143,694
Public Safety	78,800	92,328	13,528
Sunrise River WMO Fund	7,500	7,718	218

The over expenditures were funded by available fund balance.

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, except for investments in external investment pools that meet GASB 79 requirements, which are stated at amortized cost. 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. Donated capital assets are recorded at acquisition value at the date of donation. 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 after January 1, 2010.

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

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

L. COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and accumulated sick leave benefits that are vested as severance pay are accrued when incurred in the government-wide financial statements.

A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

M. LONG-TERM OBLIGATIONS

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

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

N. FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

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

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

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

O. INTERFUND TRANSACTIONS

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

P. USE OF ESTIMATES

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

Q. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

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

R. COMPARATIVE TOTALS

The basic financial statements and 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, 2016, from which the summarized information was derived.

S. DEFINED BENEFIT PENSION PLAN

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement

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

T. RECLASSIFICATIONS

Certain amounts presented in the prior year data has been reclassified in order to be consistent with the current year's presentation.

Note 2 DEPOSITS AND INVESTMENTS

A. DEPOSITS

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

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

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

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

CITY OF COLUMBUS, MINNESOTA
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December 31, 2017

Balances at December 31, 2017 are as follows:

	<u>Bank Balances</u>	<u>Carrying Amount</u>
Deposits	<u>\$5,226,294</u>	<u>\$5,192,704</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, 2017, the bank balance of the City’s deposits was covered by federal depository insurance or covered by perfected collateral held in the City’s name.

B. INVESTMENTS

Minnesota Statutes authorize the City to invest in the following:

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

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

As of December 31, 2017, 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	\$112,796	\$112,796	\$ -
Brokered CD's	N/R	1,050,000	750,000	300,000
Total investments		<u>\$1,162,796</u>	<u>\$862,796</u>	<u>\$300,000</u>
Total investments				\$1,162,796
Deposits				5,192,704
Total cash and investments				<u>\$6,355,500</u>

The following is a reconciliation of the City's total cash and investments at December 31, 2017:

Government-wide statement of position:	
Cash and investments	\$5,985,535
Fiduciary Fund statement of net position	369,965
Total	<u>\$6,355,500</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable.

The City has the following recurring fair value measurements as of December 31, 2017:

Investment Type	12/31/2017	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments at fair value:				
Brokered certificates of deposit	\$1,050,000	\$ -	\$1,050,000	\$ -
Total/Subtotal	<u>1,050,000</u>	<u>\$0</u>	<u>\$1,050,000</u>	<u>\$0</u>
Investments not categorized:				
Money market funds	112,796			
Total	<u>\$1,162,796</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

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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.

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, 2017 are as follows:

	Delinquent Property Taxes	Special Assessments
	<u> </u>	<u> </u>
Major funds:		
(100) General Fund	\$55,000	\$13,000
(125) Blacktop maintenance special revenue fund	-	190,000
(350) Bonds of 2012A - refunding portion of debt service fund	-	2,258,000
(371) Bonds of 2007B	-	2,732,000
Nonmajor funds	<u>-</u>	<u>187,000</u>
Total	<u><u>\$55,000</u></u>	<u><u>\$5,380,000</u></u>

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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:

	Delinquent Property Taxes	Delinquent Special Assessments	Special Assessments Not Yet Due	Total
Major funds:				
(100) General Fund	\$86,908	\$ -	\$12,741	\$99,649
(125) Blacktop maintenance	-	-	190,090	190,090
(350) Bonds of 2012A - refunding portion of debt service fund	-	40,182	2,431,338	2,471,520
(371) Bonds of 2007B	-	109,551	2,732,891	2,842,442
Nonmajor funds	-	5,756	217,165	222,921
Total	<u>\$86,908</u>	<u>\$155,489</u>	<u>\$5,584,225</u>	<u>\$5,826,622</u>

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

Primary Government	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$532,802	\$ -	\$ -	\$ -	\$532,802
Total capital assets, not being depreciated	<u>532,802</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>532,802</u>
Capital assets, being depreciated:					
Buildings	2,357,041	-	-	-	2,357,041
Roads	6,370,721	338,612	-	-	6,709,333
Vehicles and equipment	1,495,870	11,615	-	-	1,507,485
Total capital assets, being depreciated	<u>10,223,632</u>	<u>350,227</u>	<u>0</u>	<u>0</u>	<u>10,573,859</u>
Less accumulated depreciation for:					
Buildings	742,210	47,141	-	-	789,351
Roads	1,964,304	199,994	-	-	2,164,298
Vehicles and equipment	930,779	95,427	-	-	1,026,206
Total accumulated depreciation	<u>3,637,293</u>	<u>342,562</u>	<u>0</u>	<u>0</u>	<u>3,979,855</u>
Total capital assets being depreciated - net	<u>6,586,339</u>	<u>7,665</u>	<u>0</u>	<u>0</u>	<u>6,594,004</u>
Governmental activities capital assets - net	<u>\$7,119,141</u>	<u>\$7,665</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,126,806</u>
Business-type activities:					
Capital assets, not being depreciated:					
Construction in progress	\$28,266	\$ -	(\$28,266)	\$ -	\$ -
Total capital assets, not being depreciated	<u>28,266</u>	<u>0</u>	<u>(28,266)</u>	<u>0</u>	<u>0</u>
Capital assets, being depreciated:					
Water infrastructure	5,251,905	175,567	-	-	5,427,472
Sewer infrastructure	4,635,093	-	-	-	4,635,093
Total capital assets being depreciated	<u>9,886,998</u>	<u>175,567</u>	<u>0</u>	<u>0</u>	<u>10,062,565</u>
Less accumulated depreciation for:					
Water infrastructure	785,908	108,549	-	-	894,457
Sewer infrastructure	837,615	92,700	-	-	930,315
Total accumulated depreciation	<u>1,623,523</u>	<u>201,249</u>	<u>0</u>	<u>0</u>	<u>1,824,772</u>
Total capital assets being depreciated - net	<u>8,263,475</u>	<u>(25,682)</u>	<u>0</u>	<u>0</u>	<u>8,237,793</u>
Business-type activities capital assets - net	<u>\$8,291,741</u>	<u>(\$25,682)</u>	<u>(\$28,266)</u>	<u>\$0</u>	<u>\$8,237,793</u>

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

Governmental activities:	
General government	\$15,229
Public safety	11,002
Public works	306,906
Parks and recreation	9,425
Total depreciation expense - governmental activities	<u>\$342,562</u>
Business-type activities:	
Water	\$108,549
Sewer	92,700
Total depreciation expense - business-type activities	<u>\$201,249</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, 2017, the long-term debt of the financial reporting entity consisted of the following:

	Issue Date	Final Maturity Date	Authorized and Issued	Interest Rate	Outstanding 12/31/17
Governmental activities:					
G.O. Improvement Bonds of 2007B	11/15/07	2/1/24	\$4,305,000	4.1%	\$2,325,000
G.O. Capital Improvement Bonds of 2007A	6/1/07	2/1/23	1,380,000	3.65% - 4.150%	650,000
G.O. Capital Improvement Bonds of 2010A	8/19/10	2/1/21	281,000	4.15%	131,000
G.O. Capital Improvement Bonds of 2012A	4/1/12	4/1/28	795,000	2.00 - 2.75%	610,000
G.O. Capital Improvement Bonds of 2012A Refunding Portion	4/1/12	4/1/22	3,270,000	2.00 - 2.15%	1,800,000
G.O. Capital Improvement Bonds of 2014	10/2/14	2/1/25	396,000	2.35 - 3.35%	328,000
G.O. Tax Abatement Bonds of 2015	4/1/15	2/1/36	4,380,000	1.50 - 4.00%	4,320,000
Issuance premiums (discounts)	N/A	N/A	N/A	N/A	43,099
Total bonded indebtedness					<u>10,207,099</u>
Compensated absences payable	N/A	N/A	N/A	N/A	42,228
Total long-term debt					<u>\$10,249,327</u>

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

PAYMENTS TO MATURITY

The annual requirement to amortize all debt outstanding at December 31, 2017 is as follows:

	Governmental Activities					
	General Obligation Improvement Bonds of 2007B		General Obligation Capital Improvements of 2007A		General Obligation Capital Improvements of 2010A	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$300,000	\$87,000	\$100,000	\$24,486	\$31,000	\$4,793
2019	300,000	75,000	100,000	20,486	32,000	3,486
2020	325,000	62,500	105,000	16,360	33,000	2,137
2021	340,000	49,200	110,000	11,979	35,000	726
2022	340,000	35,600	115,000	7,352	-	-
2023	355,000	21,700	120,000	2,490	-	-
2024	365,000	7,300	-	-	-	-
	<u>\$2,325,000</u>	<u>\$338,300</u>	<u>\$650,000</u>	<u>\$83,153</u>	<u>\$131,000</u>	<u>\$11,142</u>

	Governmental Activities							
	General Obligation Capital Improvements of 2012A		General Obligation Capital Improvements of 2012A - Refunding Portion		General Obligation Capital Improvements of 2014		General Obligation Tax Abatement Bonds of 2015	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$50,000	\$14,445	\$420,000	\$32,003	\$37,000	\$9,413	\$75,000	\$153,200
2019	50,000	13,445	435,000	23,453	38,000	8,532	85,000	151,787
2020	50,000	12,445	450,000	14,603	39,000	7,627	100,000	149,937
2021	50,000	11,445	360,000	6,503	40,000	6,499	115,000	147,644
2022	55,000	10,354	135,000	1,447	41,000	5,142	130,000	144,725
2023	55,000	9,006	-	-	43,000	3,735	145,000	141,106
2024	55,000	7,494	-	-	44,000	2,279	165,000	136,637
2025	60,000	5,913	-	-	46,000	770	180,000	131,283
2026	60,000	4,263	-	-	-	-	195,000	125,136
2027	60,000	2,613	-	-	-	-	215,000	118,108
2028	65,000	894	-	-	-	-	235,000	110,115
2029	-	-	-	-	-	-	255,000	101,168
2030	-	-	-	-	-	-	275,000	91,225
2031	-	-	-	-	-	-	300,000	80,000
2032	-	-	-	-	-	-	320,000	67,600
2033	-	-	-	-	-	-	345,000	54,300
2034	-	-	-	-	-	-	370,000	40,000
2035	-	-	-	-	-	-	395,000	24,700
2036	-	-	-	-	-	-	420,000	8,400
	<u>\$610,000</u>	<u>\$92,317</u>	<u>\$1,800,000</u>	<u>\$78,009</u>	<u>\$328,000</u>	<u>\$43,997</u>	<u>\$4,320,000</u>	<u>\$1,977,071</u>

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2017, was as follows:

	Balance 01/01/17	Additions	Deletions	Balance 12/31/17	Due Within One Year
Governmental activities:					
G.O. Improvement Bonds of 2007B	\$2,615,000	\$ -	(\$290,000)	\$2,325,000	\$300,000
G.O. Capital Improvement Bonds of 2007A	745,000	-	(95,000)	650,000	100,000
G.O. Capital Improvement Bonds of 2010A	160,000	-	(29,000)	131,000	31,000
G.O. Capital Improvement Bonds of 2012A	660,000	-	(50,000)	610,000	50,000
G.O. Capital Improvement Bonds of 2012A refunding portion	2,240,000	-	(440,000)	1,800,000	420,000
G.O. Capital Improvement Bonds of 2014	364,000	-	(36,000)	328,000	37,000
G.O. Tax Abatement Bonds of 2015	4,380,000	-	(60,000)	4,320,000	75,000
Compensated absences	36,414	53,950	(48,136)	42,228	12,035
Subtotal	11,200,414	53,950	(1,048,136)	10,206,228	<u>\$1,025,035</u>
Unamortized premium (discount) on bonds	50,641	-	(7,542)	43,099	
Total governmental activities	<u>\$11,251,055</u>	<u>\$53,950</u>	<u>(\$1,055,678)</u>	<u>\$10,249,327</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, 2017

For the governmental activities, compensated absences are generally liquidated by the General Fund. All long-term bonded indebtedness outstanding at December 31, 2017 is backed by the full faith and credit of the City. Delinquent assessments receivable at December 31, 2017 were \$155,489.

Bond Issue	Use of Proceeds	Revenue Pledged			Remaining Principal and Interest	Current Year	
		Type	Percent of Total Debt Service	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
2007A	Public Works Building	Property Taxes	100%	2008 - 2023	\$733,153	\$123,363	\$135,483
2007B	Infrastructure Improvements	Special Assessments	100%	2008 - 2024	\$2,663,300	\$388,800	\$153,060
2010A	Infrastructure Improvements	Special Assessments	100%	2010 - 2021	\$142,143	\$35,038	\$21,441
2012A	Infrastructure Improvements	Property Taxes	100%	2012-2028	\$702,315	\$65,445	\$71,030
2012A	Refunding of 2004, 2005A and 2006 Infrastructure Improvements	Special Assessments	100%	2012-2022	\$1,878,011	\$480,603	\$466,496
2014	Infrastructure Improvements	Special Assessments	100%	2014-2023	\$371,998	\$46,271	\$35,936
2015	Refunding of 2010 Land Purchase	Lease Revenue *	100%	2015 - 2036	\$6,297,071	\$214,213	\$0

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

CONDUIT DEBT OBLIGATIONS

Conduit debt obligations are certain limited-obligation revenue bonds or similar debt instruments issued for the express purpose of providing capital financing for a specific third party. The City has issued various Industrial Development Revenue Bonds to provide funding to private-sector entities for projects deemed to be in the public interest. Although these bonds bear the name of the City, the City has no obligation for such debt. As of December 31, 2017, there were Senior Housing Revenue Refunding Bonds for the City of Richfield with an original issue amount of \$19.5 million and Charter School Lease Revenue Bonds for New Millennium Academy with an original issue amount of \$18 million outstanding. The aggregate principal amount payable for the series could not be determined.

Note 7 **DEFINED BENEFIT PENSION PLAN**

A. PLAN DESCRIPTION

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

General Employees Retirement Fund (GERF)

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

B. BENEFITS PROVIDED

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

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

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

GERF Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first ten years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first ten years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

C. CONTRIBUTIONS

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

GERF Contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.50%, respectively, of their annual covered salary in calendar year 2017. The City was required to contribute 11.78% of pay for Basic Plan members and 7.5% for Coordinated Plan members in calendar year 2017. The City's contributions to the GERF for the year ended December 31, 2017, were \$34,659. The City's contributions were equal to the required contributions as set by state statute.

D. PENSION COSTS

GERF Pension Costs

At December 31, 2017, the City reported a liability of \$446,875 for its proportionate share of the GERF's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$6 million to the fund in 2017. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$5,657. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the City's proportion was .0070% which was a decrease of .0002% proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the City recognized pension expense of \$42,222 for its proportionate share of the GERF's pension expense. In addition, the City recognized \$163 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$6 million to the GERF.

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

At December 31, 2017, the City reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$14,728	\$28,662
Changes in actuarial assumptions	74,191	44,799
Difference between projected and actual investment earnings	2,722	-
Changes in proportion	306	31,075
Contributions paid to PERA subsequent to the measurement date	17,677	-
Total	<u>\$109,624</u>	<u>\$104,536</u>

\$17,677 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2018	(\$5,281)
2019	23,042
2020	(11,381)
2021	(18,969)
2022	-
Thereafter	-

E. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2014 tables for the GERF for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases for retirees are assumed to be 1% per year through 2044 and then 2.5% thereafter.

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

Actuarial assumptions used in the June 30, 2017, valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the GERS was completed in 2015. The following changes in actuarial assumptions occurred in 2017:

General Employees Fund

- The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

The long-term expected rate of return on pension plan investments is 7.5%. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	39%	5.10%
International Stocks	19%	5.30%
Bonds	20%	0.75%
Alternative Assets	20%	5.90%
Cash	2%	0.50%
Total	100%	

F. DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota statutes of the GERS. Based on that assumption, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. PENSION LIABILITY SENSITIVITY

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

	<u>1% Decrease in Discount Rate (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase in Discount Rate (8.5%)</u>
City's proportionate share of the GERF net pension liability	\$693,137	\$446,875	\$245,266

H. PENSION PLAN FIDUCIARY NET POSITION

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

Note 8 DEFINED CONTRIBUTION PLAN

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official’s employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (.0025) of the assets in each member’s account annually. Total contributions made by the City during fiscal year 2016 were:

<u>Contribution Amount</u>		<u>Percentage of Covered Payroll</u>		<u>Required Rate</u>
<u>Employee</u>	<u>Employer (Pension Expense)</u>	<u>Employee</u>	<u>Employer</u>	
\$443	\$443	5%	5%	5%

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

Note 9 INTERFUND RECEIVABLES/PAYABLES, LOANS AND TRANSFERS

Interfund transfers during 2017 are as follows:

	Transfers In				Total
	Public Safety	Bonds of 2012A	Bonds of 2007B	Nonmajor	
Transfers out:					
General	\$ -	\$ -	\$300,000	\$ -	\$300,000
Blacktop maintenance	-	-	-	160,381	160,381
Nonmajor	12,000	50,000	-	-	62,000
Total	<u>\$12,000</u>	<u>\$50,000</u>	<u>\$300,000</u>	<u>\$160,381</u>	<u>\$522,381</u>

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, 2017 are as follows:

	Due To Other Funds			Total
	Governmental Funds			
	EDA Quad Bond Reserve	Nonmajor	Water Fund	
Due from other funds:				
General	\$1,007,416	\$7,308	\$613,918	\$1,628,642
Total	<u>\$1,007,416</u>	<u>\$7,308</u>	<u>\$613,918</u>	<u>\$1,628,642</u>

Note 10 CONTINGENCIES

FEDERAL AND STATE FUNDS

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2017.

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
 December 31, 2017

Note 11 FUND BALANCE

A. CLASSIFICATIONS

At December 31, 2017, a summary of the governmental fund balance classifications are as follows:

	General Fund	Public Works Special Revenue Fund	Blacktop Maintenance Special Revenue Fund	Public Safety Special Revenue Fund	Bonds of 2012A Refunding Portion Debt Service Fund	Bonds of 2007B	EDA Quad 35 Project Fund	EDA Quad Bond/Reserve Fund	G.O. Tax Abatement Bond Fund	Other Governmental Funds	Total
Nonspendable											
Due from other funds	\$1,628,642	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,628,642
Restricted for:											
Debt service	-	-	-	-	466,342	320,233	2,972,121	-	212,603	572,825	4,544,124
Parks	-	-	-	-	-	-	-	-	-	12,784	12,784
Total economic development	0	0	0	0	466,342	320,233	2,972,121	0	212,603	585,609	4,556,908
Committed to:											
Public works	-	530,480	856,897	-	-	-	-	-	-	406,996	1,794,373
Public safety	-	-	-	542,052	-	-	-	-	-	44,414	586,466
Parks	-	-	-	-	-	-	-	-	-	139,762	139,762
Watershed activities	-	-	-	-	-	-	-	-	-	8,661	8,661
Economic development	-	-	-	-	-	-	-	-	-	158,371	158,371
Total committed	0	530,480	856,897	542,052	0	0	0	0	0	758,204	2,687,633
Assigned for:											
Public works	-	2,627	16,958	-	-	-	-	-	-	753	20,338
Public safety	-	-	-	6,030	-	-	-	-	-	85	6,115
Parks	-	-	-	-	-	-	-	-	-	11,922	11,922
Watershed activities	-	-	-	-	-	-	-	-	-	98	98
Economic development	-	-	-	-	-	-	-	-	-	115	115
Total assigned	0	2,627	16,958	6,030	0	0	0	0	0	12,973	38,588
Unassigned	1,329,278	0	0	0	0	0	0	(1,007,416)	0	(8,158)	313,704
Total	\$2,957,920	\$533,107	\$873,855	\$548,082	\$466,342	\$320,233	\$2,972,121	(\$1,007,416)	\$212,603	\$1,348,628	\$9,225,475

B. MINIMUM UNASSIGNED FUND BALANCE POLICY

The City council has formally adopted a policy regarding the minimum unassigned fund balance for the General Fund. 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, 2017, the targeted and actual fund balance was:

	Target	Actual
General Fund (unassigned)	\$558,788	\$1,329,278

Note 12 COMMITMENTS AND CONTINGENCIES

A. RISK MANAGEMENT

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

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

B. LITIGATION

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

Note 13 OPERATING LEASES - LESSOR

The City received revenue from an agreement for the lease of land for antennas. The term of the initial lease is five years starting on January 1, 2010. 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:

2018	\$18,241
2019	<u>18,789</u>
Total	<u><u>\$37,030</u></u>

Note 14 RECENTLY ISSUED ACCOUNTING STANDARDS

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

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

Statement No. 83 *Certain Asset Retirement Obligations.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2018.

Statement No. 84 *Fiduciary Activities.* The provisions of this Statement are effective for reporting periods beginning after December 15, 2018.

Statement No. 85 *Omnibus 2017.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2017.

Statement No. 86 *Certain Debt Extinguishment Issues.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2017.

Statement No. 87 *Leases.* The provisions of this Statement are effective for reporting periods beginning after December 15, 2019.

CITY OF COLUMBUS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

Statement No. 88 *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2018.

The effect these standards may have on future financial statements is not determinable at this time, but it is expected that Statement No. 87 may have a material impact.

Note 15 DEFICIT FUND BALANCE

The City has deficit fund balances at December 31, 2017 as follows:

<u>Fund</u>	<u>Amount</u>
(481/482) EDA Quad Bond/Reserve Fund	\$1,007,416
(418) 2018 Road Construction Fund	8,158

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF COLUMBUS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2017
With Comparative Actual Amounts For The Year Ended December 31, 2016

	Budgeted Amounts		2017 Actual Amounts	Variance with Final Budget - Positive (Negative)	2016 Actual Amounts
	Original	Final			
Revenues:					
General property taxes	\$883,018	\$883,018	\$867,367	(\$15,651)	\$878,317
Licenses and permits	78,900	78,900	187,079	108,179	171,884
Intergovernmental:					
State:					
PERA aid	458	458	458	-	458
Property tax credits and aids	2,500	2,500	5,510	3,010	5,926
County:					
Recycling	17,000	17,000	19,933	2,933	16,462
Other	-	-	5,415	5,415	478
Total intergovernmental	19,958	19,958	31,316	11,358	23,324
Investment income	2,200	2,200	4,647	2,447	4,567
Special Assesments	-	-	-	-	11,311
Contributions and donations	10,000	10,000	12,950	2,950	9,900
Miscellaneous:					
Public hearing	200	200	1,500	1,300	800
County fine revenues	32,000	32,000	27,567	(4,433)	26,753
Title searches and plats	250	250	1,019	769	653
Senior center board	3,600	3,600	4,481	881	3,902
Cable TV franchise fees	12,000	12,000	17,887	5,887	15,235
Refunds and reimbursements	-	-	100,581	100,581	13,188
Other	8,200	8,200	10,970	2,770	15,716
Total miscellaneous	56,250	56,250	164,005	107,755	76,247
Total revenues	1,050,326	1,050,326	1,267,364	217,038	1,175,550
Expenditures:					
General government:					
General:					
Office and computer supplies	11,000	11,000	11,797	(797)	8,238
Postage	1,500	1,500	1,734	(234)	1,530
Mileage	1,500	1,500	654	846	963
Dues	4,500	4,500	4,461	39	4,398
Legal notices and ads	2,100	2,100	2,314	(214)	1,709
Copy machine	1,800	1,800	3,349	(1,549)	2,006
Seminars/publications	2,500	2,500	1,152	1,348	1,832
Community events	1,000	1,000	442	558	506
Truth in taxation	2,000	2,000	-	2,000	1,272
Miscellaneous	16,800	16,800	31,335	(14,535)	16,678
Cable franchise reimbursement	12,000	12,000	16,061	(4,061)	14,030
Total general	56,700	56,700	73,299	(16,599)	53,162

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

For The Year Ended December 31, 2017
 With Comparative Actual Amounts For The Year Ended December 31, 2016

	Budgeted Amounts		2017 Actual Amounts	Variance with Final Budget - Positive (Negative)	2016 Actual Amounts
	Original	Final			
Expenditures: (continued)					
General government: (continued)					
Payroll expenses:					
City Council	\$20,600	\$20,600	\$25,565	(\$4,965)	\$19,047
Administrative wages	232,000	232,000	204,106	27,894	225,318
Medical insurance	27,200	27,200	24,603	2,597	24,713
PERA, FICA, DCP	38,425	38,425	35,714	2,711	35,010
Total payroll expenses	<u>318,225</u>	<u>318,225</u>	<u>289,988</u>	<u>28,237</u>	<u>304,088</u>
Other general government expenses:					
Bank charges	1,300	1,300	1,090	210	1,645
Audit	25,000	25,000	27,800	(2,800)	27,160
Engineer:					
General	12,000	12,000	8,532	3,468	14,394
Reimbursable	-	-	50,455	(50,455)	(929)
Attorney:					
Criminal	16,000	16,000	14,652	1,348	14,400
Civil	64,000	64,000	72,811	(8,811)	64,903
Reimbursable	-	-	55,380	(55,380)	16,240
Planning:					
Planning commission	2,000	2,000	2,080	(80)	1,820
Planner	6,000	6,000	9,659	(3,659)	7,967
Reimbursable	-	-	28,143	(28,143)	15,998
Comp plan and ordinances	10,000	10,000	16,329	(6,329)	37,556
Assessor	22,945	22,945	23,559	(614)	22,945
Tax appeals	5,000	5,000	5,750	(750)	2,027
City Hall:					
Electricity, phone, heating, maint.	36,500	36,500	30,857	5,643	33,269
Senior center	3,500	3,500	5,614	(2,114)	2,901
Recycling	8,000	8,000	10,069	(2,069)	6,650
Youth service and other services	356	356	356	-	356
Total other general government	<u>212,601</u>	<u>212,601</u>	<u>363,136</u>	<u>(150,535)</u>	<u>269,302</u>
Total general government - current	<u>587,526</u>	<u>587,526</u>	<u>726,423</u>	<u>(138,897)</u>	<u>626,552</u>
Capital outlay - general government	4,000	4,000	8,797	(4,797)	2,862
Total general government	<u>591,526</u>	<u>591,526</u>	<u>735,220</u>	<u>(143,694)</u>	<u>629,414</u>

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

For The Year Ended December 31, 2017
 With Comparative Actual Amounts For The Year Ended December 31, 2016

	Budgeted Amounts		2017 Actual Amounts	Variance with Final Budget - Positive (Negative)	2016 Actual Amounts
	Original	Final			
Expenditures: (continued)					
Public safety:					
Animal control	\$500	\$500	\$272	\$228	\$ -
Building inspector	76,950	76,950	86,957	(10,007)	65,717
Building permit surcharge	-	-	5,056	(5,056)	5,149
Miscellaneous	1,350	1,350	43	1,307	-
Total public safety	<u>78,800</u>	<u>78,800</u>	<u>92,328</u>	<u>(13,528)</u>	<u>70,866</u>
Total expenditures	<u>670,326</u>	<u>670,326</u>	<u>827,548</u>	<u>(157,222)</u>	<u>700,280</u>
Revenues over expenditures	380,000	380,000	439,816	59,816	475,270
Other financing sources (uses):					
Transfers out	<u>(380,000)</u>	<u>(380,000)</u>	<u>(300,000)</u>	<u>80,000</u>	<u>(380,000)</u>
Total other financing sources (uses)	<u>(380,000)</u>	<u>(380,000)</u>	<u>(300,000)</u>	<u>80,000</u>	<u>(380,000)</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	139,816	<u>\$139,816</u>	95,270
Fund balance - January 1			<u>2,818,104</u>		<u>2,722,834</u>
Fund balance - December 31			<u>\$2,957,920</u>		<u>\$2,818,104</u>

CITY OF COLUMBUS, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 11

BUDGETARY COMPARISON SCHEDULE - PUBLIC WORKS SPECIAL REVENUE FUND

For The Year Ended December 31, 2017

With Comparative Actual Amounts For The Year Ended December 31, 2016

	Budgeted Amounts		2017 Actual Amounts	Variance with Final Budget - Positive (Negative)	2016 Actual Amounts
	Original	Final			
Revenues:					
General property taxes	\$463,078	\$463,078	\$461,271	(\$1,807)	\$455,065
Intergovernmental:					
State	458	458	458	-	458
Investment income	1,000	1,000	1,216	216	1,227
Miscellaneous:					
Other	1,000	1,000	1,411	411	1,030
Total revenues	<u>465,536</u>	<u>465,536</u>	<u>464,356</u>	<u>(1,180)</u>	<u>457,780</u>
Expenditures:					
Public works:					
Wages and benefits:					
Salaries	205,000	205,000	203,930	1,070	194,775
Payroll taxes and fringe	62,075	62,075	59,138	2,937	58,594
Workers comp insurance	14,500	14,500	14,140	360	14,705
Shop expenses:					
Insurance	11,000	11,000	6,718	4,282	10,026
Utilities	18,200	18,200	12,222	5,978	12,091
Supplies	10,000	10,000	4,790	5,210	3,507
Gas, oil and fuel	26,000	26,000	13,767	12,233	14,267
Equipment repair and maintenance	20,000	20,000	30,373	(10,373)	16,125
Cutting edges and small tools	5,000	5,000	3,940	1,060	5,635
Building maintenance and other	5,125	5,125	5,738	(613)	3,854
Road repair and maintenance:					
Salt and sand	16,000	16,000	16,285	(285)	12,028
Calcium chloride	40,000	40,000	39,374	626	38,080
Street signs and posts	8,000	8,000	7,079	921	8,615
Subcontracting and miscellaneous	13,636	13,636	8,710	4,926	10,515
Total public works	<u>454,536</u>	<u>454,536</u>	<u>426,204</u>	<u>28,332</u>	<u>402,817</u>
Capital outlay	11,000	11,000	11,168	(168)	51,390
Total expenditures	<u>465,536</u>	<u>465,536</u>	<u>437,372</u>	<u>28,164</u>	<u>454,207</u>
Revenues over expenditures	<u>\$0</u>	<u>\$0</u>	26,984	<u>\$26,984</u>	3,573
Fund balance - January 1			<u>506,123</u>		<u>502,550</u>
Fund balance - December 31			<u>\$533,107</u>		<u>\$506,123</u>

CITY OF COLUMBUS, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 12

BUDGETARY COMPARISON SCHEDULE - BLACKTOP MAINTENANCE SPECIAL REVENUE FUND

For The Year Ended December 31, 2017

With Comparative Actual Amounts For The Year Ended December 31, 2016

	Budgeted Amounts		2017 Actual Amounts	Variance with Final Budget - Positive (Negative)	2016 Actual Amounts
	Original	Final			
Revenues:					
General property taxes	\$358,981	\$358,981	\$357,580	(\$1,401)	\$357,322
Intergovernmental	-	-	19,858	19,858	-
Investment income	1,500	1,500	2,058	558	1,854
Miscellaneous	-	-	14,900	14,900	-
Total revenues	<u>360,481</u>	<u>360,481</u>	<u>394,396</u>	<u>33,915</u>	<u>359,176</u>
Expenditures:					
Public works:					
Blacktop maintenance	<u>360,481</u>	<u>360,481</u>	<u>255,711</u>	<u>104,770</u>	<u>50,705</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>138,685</u>	<u>138,685</u>	<u>308,471</u>
Other financing (uses):					
Transfers out	<u>-</u>	<u>-</u>	<u>(160,381)</u>	<u>(160,381)</u>	<u>-</u>
Total other financing (uses)	<u>0</u>	<u>0</u>	<u>(160,381)</u>	<u>(160,381)</u>	<u>0</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	<u>(21,696)</u>	<u>(\$21,696)</u>	<u>308,471</u>
Fund balance - January 1			<u>895,551</u>		<u>587,080</u>
Fund balance - December 31			<u>\$873,855</u>		<u>\$895,551</u>

CITY OF COLUMBUS, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 13

BUDGETARY COMPARISON SCHEDULE - PUBLIC SAFETY SPECIAL REVENUE FUND

For The Year Ended December 31, 2017

With Comparative Actual Amounts For The Year Ended December 31, 2016

	Budgeted Amounts		2017 Actual Amounts	Variance with Final Budget - Positive (Negative)	2016 Actual Amounts
	Original	Final			
Revenues:					
General property taxes	\$396,930	\$396,930	\$395,382	(\$1,548)	\$379,964
Investment income	500	500	1,279	779	1,410
Contributions and donations	55,500	55,500	53,237	(2,263)	55,500
Miscellaneous	5,800	5,800	4,751	(1,049)	5,682
Total revenues	<u>458,730</u>	<u>458,730</u>	<u>454,649</u>	<u>(4,081)</u>	<u>442,556</u>
Expenditures:					
Public safety:					
Fire protection	168,150	168,150	169,539	1,389	149,986
Police protection	298,680	298,680	291,645	(7,035)	289,709
Emergency management	3,900	3,900	-	(3,900)	282
Total expenditures	<u>470,730</u>	<u>470,730</u>	<u>461,184</u>	<u>(9,546)</u>	<u>439,977</u>
Revenues over (under) expenditures	<u>(12,000)</u>	<u>(12,000)</u>	<u>(6,535)</u>	<u>5,465</u>	<u>2,579</u>
Other financing sources:					
Transfers in	12,000	12,000	12,000	-	10,000
Total other financing sources	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>0</u>	<u>10,000</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	5,465	<u>\$5,465</u>	12,579
Fund balance - January 1			<u>542,617</u>		<u>530,038</u>
Fund balance - December 31			<u>\$548,082</u>		<u>\$542,617</u>

CITY OF COLUMBUS, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY* -
 GENERAL EMPLOYEES RETIREMENT FUND
 For The Year Ended December 31, 2017

Statement 14

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with City (b)	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with City (a+b)	Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.0072%	\$373,141	\$ -	\$373,141	\$424,273	87.9%	78.2%
2016	2016	0.0072%	584,604	7,641	592,245	445,790	132.9%	68.9%
2017	2017	0.0070%	446,875	5,657	452,532	454,030	99.7%	75.9%

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

CITY OF COLUMBUS, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 15

SCHEDULE OF PENSION CONTRIBUTIONS* - GENERAL EMPLOYEES RETIREMENT FUND

For The Year Ended December 31, 2017

<u>Fiscal Year Ending</u>	<u>Statutorily Required Contribution (a)</u>	<u>Contributions in Relation to the Statutorily Required Contribution (b)</u>	<u>Contribution Deficiency (Excess) (a-b)</u>	<u>Covered Payroll (c)</u>	<u>Contributions as a Percentage of Covered Payroll (b/c)</u>
December 31, 2015	\$31,955	\$31,955	\$ -	\$426,065	7.5%
December 31, 2016	33,383	33,383	-	445,115	7.5%
December 31, 2017	34,659	34,659	-	462,120	7.5%

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

Note A LEGAL COMPLIANCE – BUDGETS

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

Note B PENSION INFORMATION

PERA – General Employees Retirement Fund

2017 Changes

Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability.

- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.

- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.

- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

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

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

For the Year Ended December 31, 2017

With Comparative Totals For the Year Ended December 31, 2016

	<u>2017</u>	<u>2016</u>
Revenues:		
General property taxes	\$867,367	\$878,317
Licenses and permits	187,079	171,884
Intergovernmental	31,316	23,324
Special assessments	-	11,311
Investment income	4,647	4,567
Contributions and donations	12,950	9,900
Miscellaneous	164,005	76,247
Total revenues	<u>1,267,364</u>	<u>1,175,550</u>
Expenditures:		
Current:		
General government	726,423	626,552
Public safety	92,328	70,866
Capital outlay	8,797	2,862
Total expenditures	<u>827,548</u>	<u>700,280</u>
Revenues over expenditures	439,816	475,270
Other financing sources (uses):		
Transfers out	<u>(300,000)</u>	<u>(380,000)</u>
Net change in fund balance	139,816	95,270
Fund balance - January 1	<u>2,818,104</u>	<u>2,722,834</u>
Fund balance - December 31	<u><u>\$2,957,920</u></u>	<u><u>\$2,818,104</u></u>

CITY OF COLUMBUS, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

Statement 17

December 31, 2017

With Comparative Totals For December 31, 2016

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental Funds	
				2017	2016
Assets:					
Cash and investments	\$413,007	\$569,389	\$368,497	\$1,350,893	\$1,082,297
Accounts receivable	2,198	-	-	2,198	-
Property taxes receivable	4,168	3,425	1,525	9,118	17,155
Special assessments receivable	-	222,932	-	222,932	293,905
Total assets	\$419,373	\$795,746	\$370,022	\$1,585,141	\$1,393,357
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$5,434	\$ -	\$850	\$6,284	\$7,612
Due to other governments	-	-	-	-	4
Due to other funds	-	-	7,308	7,308	900
Salaries payable	-	-	-	-	100
Total liabilities	5,434	0	8,158	13,592	8,616
Deferred inflows of resources:					
Unavailable revenue	-	222,921	-	222,921	275,349
Total deferred inflows of resources	0	222,921	0	222,921	275,349
Fund balance:					
Restricted	-	572,825	12,784	585,609	571,925
Committed	404,814	-	353,390	758,204	543,299
Assigned	9,125	-	3,848	12,973	-
Unassigned	-	-	(8,158)	(8,158)	(5,832)
Total fund balance	413,939	572,825	361,864	1,348,628	1,109,392
Total liabilities, deferred inflows of resources, and fund balance	\$419,373	\$795,746	\$370,022	\$1,585,141	\$1,393,357

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CITY OF COLUMBUS, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

Statement 18

NONMAJOR GOVERNMENTAL FUNDS

For The Year Ended December 31, 2017

With Comparative Totals For the Year Ended December 31, 2016

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental Funds	
				2017	2016
Revenues:					
General property taxes	\$255,235	\$207,813	\$91,769	\$554,817	\$535,956
Intergovernmental	19,858	-	-	19,858	-
Special assessments	-	64,579	128,260	192,839	84,807
Investment income	670	1,021	661	2,352	2,441
Contributions and donations	18,513	-	55,000	73,513	23,050
Miscellaneous	27,203	-	27,588	54,791	58,690
Total revenues	<u>321,479</u>	<u>273,413</u>	<u>303,278</u>	<u>898,170</u>	<u>704,944</u>
Expenditures:					
Current:					
Public safety	6,979	-	-	6,979	846
Public works	59,906	-	465	60,371	90,363
Parks and recreation	43,151	-	-	43,151	37,244
Economic development	8,632	-	-	8,632	19,423
Capital outlay	-	-	365,669	365,669	148,036
Debt service:					
Principal	-	210,000	-	210,000	195,000
Interest and other	-	60,115	-	60,115	66,702
Fiscal and other charges	-	2,398	-	2,398	900
Total expenditures	<u>118,668</u>	<u>272,513</u>	<u>366,134</u>	<u>757,315</u>	<u>558,514</u>
Revenues over (under) expenditures	<u>202,811</u>	<u>900</u>	<u>(62,856)</u>	<u>140,855</u>	<u>146,430</u>
Other financing sources (uses):					
Transfers in	-	-	160,381	160,381	-
Transfers out	(62,000)	-	-	(62,000)	(154,893)
Total other financing sources (uses)	<u>(62,000)</u>	<u>0</u>	<u>160,381</u>	<u>98,381</u>	<u>(154,893)</u>
Net change in fund balance	140,811	900	97,525	239,236	(8,463)
Fund balance - January 1	<u>273,128</u>	<u>571,925</u>	<u>264,339</u>	<u>1,109,392</u>	<u>1,117,855</u>
Fund balance - December 31	<u>\$413,939</u>	<u>\$572,825</u>	<u>\$361,864</u>	<u>\$1,348,628</u>	<u>\$1,109,392</u>

CITY OF COLUMBUS, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2017
With Comparative Totals For December 31, 2016

	(126) Transportation Studies	(150) Parks and Recreation Fund	(230) Charitable Gambling
Assets			
Cash and investments	\$143,350	\$84,893	\$19,739
Accounts receivable	-	6	2,192
Property taxes receivable	806	542	-
Total assets	\$144,156	\$85,441	\$21,931
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$4,039	\$795	\$ -
Due to other governments	-	-	-
Salaries payable	-	-	-
Total liabilities	4,039	795	0
Fund balance:			
Committed	139,836	76,060	21,886
Assigned	281	8,586	45
Total fund balance (deficit)	140,117	84,646	21,931
Total liabilities and fund balance	\$144,156	\$85,441	\$21,931

(240) Economic Development Authority	(241) EDA HRA Levy	(250) Sunrise River WMO Fund	Total Nonmajor Special Revenue Funds	
			2017	2016
\$115,527	\$40,697	\$8,801	\$413,007	\$267,949
-	-	-	2,198	-
1,350	1,421	49	4,168	7,963
<u>\$116,877</u>	<u>\$42,118</u>	<u>\$8,850</u>	<u>\$419,373</u>	<u>\$275,912</u>
\$509	\$ -	\$91	\$5,434	\$2,680
-	-	-	-	4
-	-	-	-	100
<u>509</u>	<u>0</u>	<u>91</u>	<u>5,434</u>	<u>2,784</u>
116,269	42,102	8,661	404,814	273,128
99	16	98	9,125	-
<u>116,368</u>	<u>42,118</u>	<u>8,759</u>	<u>413,939</u>	<u>273,128</u>
<u>\$116,877</u>	<u>\$42,118</u>	<u>\$8,850</u>	<u>\$419,373</u>	<u>\$275,912</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, 2017
With Comparative Totals For the Year Ended December 31, 2016

	(126) Transportation Studies	(150) Parks and Recreation Fund
Revenues:		
General property taxes	\$48,510	\$32,634
Intergovernmental	19,858	-
Investment income	281	205
Contributions and donations	9,592	5,755
Miscellaneous	-	8,381
Total revenues	<u>78,241</u>	<u>46,975</u>
Expenditures:		
Current:		
Public safety	-	-
Public works	52,188	-
Parks and recreation	-	43,151
Economic development	-	-
Total expenditures	<u>52,188</u>	<u>43,151</u>
Revenues over (under) expenditures	<u>26,053</u>	<u>3,824</u>
Other financing (uses):		
Transfers out	-	-
Total other financing (uses)	<u>0</u>	<u>0</u>
Net change in fund balance	26,053	3,824
Fund balance - January 1	<u>114,064</u>	<u>80,822</u>
Fund balance - December 31	<u><u>\$140,117</u></u>	<u><u>\$84,646</u></u>

(230) Charitable Gambling	(240) Economic Development Authority	(241) EDA HRA Levy	(250) Sunrise River WMO Fund	Total Nonmajor Special Revenue Funds	
				2017	2016
\$ -	\$81,208	\$85,438	\$7,445	\$255,235	\$253,321
-	-	-	-	19,858	-
45	99	25	15	670	680
-	3,166	-	-	18,513	23,050
18,739	-	-	83	27,203	22,037
<u>18,784</u>	<u>84,473</u>	<u>85,463</u>	<u>7,543</u>	<u>321,479</u>	<u>299,088</u>
6,979	-	-	-	6,979	846
-	-	-	7,718	59,906	90,363
-	-	-	-	43,151	37,244
-	8,632	-	-	8,632	19,423
<u>6,979</u>	<u>8,632</u>	<u>0</u>	<u>7,718</u>	<u>118,668</u>	<u>147,876</u>
11,805	75,841	85,463	(175)	202,811	151,212
(12,000)	-	(50,000)	-	(62,000)	(154,893)
<u>(12,000)</u>	<u>0</u>	<u>(50,000)</u>	<u>0</u>	<u>(62,000)</u>	<u>(154,893)</u>
(195)	75,841	35,463	(175)	140,811	(3,681)
22,126	40,527	6,655	8,934	273,128	276,809
<u>\$21,931</u>	<u>\$116,368</u>	<u>\$42,118</u>	<u>\$8,759</u>	<u>\$413,939</u>	<u>\$273,128</u>

CITY OF COLUMBUS, MINNESOTA

SUBCOMBINING BALANCE SHEET

NONMAJOR DEBT SERVICE FUNDS

December 31, 2017

With Comparative Totals For December 31, 2016

	<u>(310) 2010A Improvement Bonds</u>	<u>(314) Bonds of 2014 Road Improvements</u>
Assets		
Cash and investments	\$54,258	\$191,430
Property taxes receivable	-	-
Special assessments receivable	<u>66,676</u>	<u>154,199</u>
Total assets	<u><u>\$120,934</u></u>	<u><u>\$345,629</u></u>
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities		
	<u>\$ -</u>	<u>\$ -</u>
Deferred inflows of resources:		
Unavailable revenue	<u>66,676</u>	<u>154,188</u>
Fund balance:		
Restricted	<u>54,258</u>	<u>191,441</u>
Total liabilities, deferred inflows of resources, and fund balance	<u><u>\$120,934</u></u>	<u><u>\$345,629</u></u>

(340) Hornsby Bond 2012A	(372) Bonds of 2007A	(375) Bond Reserve Fund	Total Nonmajor Debt Service Funds	
			2017	2016
\$138,127	\$143,463	\$42,111	\$569,389	\$546,890
1,178	2,247	-	3,425	\$6,479
-	-	2,057	222,932	293,905
<u>\$139,305</u>	<u>\$145,710</u>	<u>\$44,168</u>	<u>\$795,746</u>	<u>\$847,274</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	2,057	222,921	275,349
<u>139,305</u>	<u>145,710</u>	<u>42,111</u>	<u>572,825</u>	<u>571,925</u>
<u>\$139,305</u>	<u>\$145,710</u>	<u>\$44,168</u>	<u>\$795,746</u>	<u>\$847,274</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, 2017
With Comparative Totals For the Year Ended December 31, 2016

	(310) 2010 A Improvement Bonds	(314) Bonds of 2014 Road Improvements
Revenues:		
General property taxes	\$402	\$898
Special assessments	21,441	35,936
Investment income	125	446
Total revenues	<u>21,968</u>	<u>37,280</u>
Expenditures:		
Debt service:		
Principal	29,000	36,000
Interest and other	6,038	10,271
Fiscal and other charges	-	448
Total expenditures	<u>35,038</u>	<u>46,719</u>
Revenues over (under) expenditures	(13,070)	(9,439)
Fund balance - January 1	<u>67,328</u>	<u>200,880</u>
Fund balance - December 31	<u><u>\$54,258</u></u>	<u><u>\$191,441</u></u>

(340) Hornsby Bond 2012A	(372) Bonds of 2007A	(375) Bond Reserve Fund	Total Nonmajor Debt Service Funds	
			2017	2016
\$71,030	\$135,483	\$ -	\$207,813	\$198,287
-	-	7,202	64,579	84,807
238	140	72	1,021	1,062
<u>71,268</u>	<u>135,623</u>	<u>7,274</u>	<u>273,413</u>	<u>284,156</u>
50,000	95,000	-	210,000	195,000
15,445	28,361	-	60,115	66,702
-	450	1,500	2,398	900
<u>65,445</u>	<u>123,811</u>	<u>1,500</u>	<u>272,513</u>	<u>262,602</u>
5,823	11,812	5,774	900	21,554
<u>133,482</u>	<u>133,898</u>	<u>36,337</u>	<u>571,925</u>	<u>550,371</u>
<u>\$139,305</u>	<u>\$145,710</u>	<u>\$42,111</u>	<u>\$572,825</u>	<u>\$571,925</u>

CITY OF COLUMBUS, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
December 31, 2017
With Comparative Totals For December 31, 2016

	(401) Road & Bridge Capital Fund	(402) Fire Hall Capital Fund	(403) Park Capital Expenditure Fund
Assets			
Cash and investments	\$266,271	\$22,444	\$22,919
Property taxes receivable	1,361	124	40
Total assets	\$267,632	\$22,568	\$22,959
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Total liabilities	0	0	0
Fund balance (deficit):			
Restricted	-	-	-
Committed	267,160	22,528	19,708
Assigned	472	40	3,251
Unassigned	-	-	-
Total fund balance (deficit)	267,632	22,568	22,959
Total liabilities and fund balance	\$267,632	\$22,568	\$22,959

(404) Park Land Fund	(418) 2018 Road Construction Fund	Total Nonmajor Capital Project Funds	
		2017	2016
\$56,863	\$ -	\$368,497	\$267,458
-	-	1,525	2,713
<u>\$56,863</u>	<u>\$0</u>	<u>\$370,022</u>	<u>\$270,171</u>
\$ -	\$850	\$850	\$4,932
-	7,308	7,308	900
<u>0</u>	<u>8,158</u>	<u>8,158</u>	<u>5,832</u>
12,784	-	12,784	-
43,994	-	353,390	270,171
85	-	3,848	-
-	(8,158)	(8,158)	(5,832)
<u>56,863</u>	<u>(8,158)</u>	<u>361,864</u>	<u>264,339</u>
<u>\$56,863</u>	<u>\$0</u>	<u>\$370,022</u>	<u>\$270,171</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, 2017
With Comparative Totals For the Year Ended December 31, 2016

	(401) Road & Bridge Capital Fund	(402) Fire Hall Capital Fund	(403) Park Capital Expenditure Fund	(404) Park Land Fund
Revenues:				
General property taxes	\$81,898	\$7,471	\$2,400	\$ -
Special assessments	-	-	-	-
Investment income	472	40	63	85
Contributions and donations	-	-	-	-
Miscellaneous	-	-	3,188	24,400
Total revenues	<u>82,370</u>	<u>7,511</u>	<u>5,651</u>	<u>24,485</u>
Expenditures:				
Public works:				
Capital outlay/project costs	-	-	8,550	11,616
Other	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>8,550</u>	<u>11,616</u>
Revenues over (under) expenditures	<u>82,370</u>	<u>7,511</u>	<u>(2,899)</u>	<u>12,869</u>
Other financing sources (uses):				
Transfer in	-	-	-	-
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	82,370	7,511	(2,899)	12,869
Fund balance - January 1	<u>185,262</u>	<u>15,057</u>	<u>25,858</u>	<u>43,994</u>
Fund balance - December 31	<u><u>\$267,632</u></u>	<u><u>\$22,568</u></u>	<u><u>\$22,959</u></u>	<u><u>\$56,863</u></u>

(317/417) 2017 Road Construction Fund	(418) 2018 Road Construction Fund	Total Nonmajor Capital Project Funds	
		2017	2016
\$ -	\$ -	\$91,769	\$84,348
128,260	-	128,260	-
1	-	661	699
55,000	-	55,000	-
-	-	27,588	36,653
<u>183,261</u>	<u>0</u>	<u>303,278</u>	<u>121,700</u>
337,345	8,158	365,669	148,036
465	-	465	-
<u>337,810</u>	<u>8,158</u>	<u>366,134</u>	<u>148,036</u>
<u>(154,549)</u>	<u>(8,158)</u>	<u>(62,856)</u>	<u>(26,336)</u>
160,381	-	160,381	-
<u>160,381</u>	<u>0</u>	<u>160,381</u>	<u>0</u>
5,832	(8,158)	97,525	(26,336)
<u>(5,832)</u>	<u>-</u>	<u>264,339</u>	<u>290,675</u>
<u>\$0</u>	<u>(\$8,158)</u>	<u>\$361,864</u>	<u>\$264,339</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, 2017
With Comparative Actual Amounts For The Year Ended December 31, 2016

Statement 25

	2017			Variance with Final Budget - Positive (Negative)	2016
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues:					
General property taxes	\$48,700	\$48,700	\$48,510	(\$190)	\$48,121
Intergovernmental	-	-	19,858	19,858	-
Investment income	-	-	281	281	356
Contributions and donations	10,000	10,000	9,592	(408)	10,000
Total revenues	<u>58,700</u>	<u>58,700</u>	<u>78,241</u>	<u>19,541</u>	<u>58,477</u>
Expenditures:					
Public works:					
Traffic control devices	<u>58,700</u>	<u>58,700</u>	<u>52,188</u>	<u>6,512</u>	<u>83,023</u>
Revenues over (under) expenditures	<u>\$0</u>	<u>\$0</u>	26,053	<u>\$26,053</u>	(24,546)
Fund balance - January 1			<u>114,064</u>		<u>138,610</u>
Fund balance - December 31			<u>\$140,117</u>		<u>\$114,064</u>

CITY OF COLUMBUS, MINNESOTA

SPECIAL REVENUE FUND - (150) PARKS AND RECREATION FUND

Statement 26

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2017

With Comparative Actual Amounts For The Year Ended December 31, 2016

	2017			Variance with Final Budget - Positive (Negative)	2016
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues:					
General property taxes	\$32,761	\$32,761	\$32,634	(\$127)	\$31,265
Investment income	100	100	205	105	211
Contributions and donations	6,000	6,000	5,755	(245)	6,000
Miscellaneous	6,350	6,350	8,381	2,031	6,659
Total revenues	<u>45,211</u>	<u>45,211</u>	<u>46,975</u>	<u>1,764</u>	<u>44,135</u>
Expenditures:					
Parks and recreation	<u>45,211</u>	<u>45,211</u>	<u>43,151</u>	<u>2,060</u>	<u>37,244</u>
Revenues over expenditures	<u>\$0</u>	<u>\$0</u>	<u>3,824</u>	<u>\$3,824</u>	<u>6,891</u>
Fund balance - January 1			<u>80,822</u>		<u>73,931</u>
Fund balance - December 31			<u>\$84,646</u>		<u>\$80,822</u>

CITY OF COLUMBUS, MINNESOTA

SPECIAL REVENUE FUND - (240) ECONOMIC DEVELOPMENT AUTHORITY

Statement 27

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2017

With Comparative Actual Amounts For The Year Ended December 31, 2016

	2017			Variance with Final Budget - Positive (Negative)	2016
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues:					
General property taxes	\$81,700	\$81,700	\$81,208	(\$492)	\$80,865
Investment income	-	-	99	99	53
Contributions and donations	3,300	3,300	3,166	(134)	7,050
Total revenues	<u>85,000</u>	<u>85,000</u>	<u>84,473</u>	<u>(527)</u>	<u>87,968</u>
Expenditures:					
Economic development	<u>38,200</u>	<u>38,200</u>	<u>8,632</u>	<u>29,568</u>	<u>19,423</u>
Revenues over expenditures	<u>46,800</u>	<u>46,800</u>	<u>75,841</u>	<u>29,041</u>	<u>68,545</u>
Other financing sources (uses):					
Transfers out	<u>(46,800)</u>	<u>(46,800)</u>	<u>-</u>	<u>46,800</u>	<u>(63,893)</u>
Total other financing sources (uses)	<u>(46,800)</u>	<u>(46,800)</u>	<u>0</u>	<u>46,800</u>	<u>(63,893)</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	<u>75,841</u>	<u>\$75,841</u>	<u>4,652</u>
Fund balance - January 1			<u>40,527</u>		<u>35,875</u>
Fund balance - December 31			<u>\$116,368</u>		<u>\$40,527</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, 2017
With Comparative Actual Amounts For The Year Ended December 31, 2016

Statement 28

	2017			Variance with Final Budget - Positive (Negative)	2016
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues:					
General property taxes	\$86,000	\$86,000	\$85,438	(\$562)	\$85,108
Investment income	-	-	25	25	2
Total revenues	<u>86,000</u>	<u>86,000</u>	<u>85,463</u>	<u>(537)</u>	<u>85,110</u>
Expenditures:					
Economic development	-	-	-	-	-
Revenues over (under) expenditures	<u>86,000</u>	<u>86,000</u>	<u>85,463</u>	<u>(537)</u>	<u>85,110</u>
Other financing sources (uses):					
Transfers out	(86,000)	(86,000)	(50,000)	36,000	(81,000)
Total other financing sources (uses)	<u>(86,000)</u>	<u>(86,000)</u>	<u>(50,000)</u>	<u>36,000</u>	<u>(81,000)</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	<u>35,463</u>	<u>\$35,463</u>	<u>4,110</u>
Fund balance - January 1			<u>6,655</u>		<u>2,545</u>
Fund balance - December 31			<u>\$42,118</u>		<u>\$6,655</u>

CITY OF COLUMBUS, MINNESOTA

SPECIAL REVENUE FUND - (250) SUNRISE RIVER WMO FUND

Statement 29

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2017

With Comparative Actual Amounts For The Year Ended December 31, 2016

	2017			Variance with Final Budget - Positive (Negative)	2016
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues:					
General property taxes	\$7,500	\$7,500	\$7,445	(\$55)	\$7,962
Investment income	-	-	15	15	12
Miscellaneous	-	-	83	83	-
Total revenues	<u>7,500</u>	<u>7,500</u>	<u>7,543</u>	<u>43</u>	<u>7,974</u>
Expenditures:					
Public works	<u>7,500</u>	<u>7,500</u>	<u>7,718</u>	<u>(218)</u>	<u>7,340</u>
Revenues over expenditures	<u>\$0</u>	<u>\$0</u>	<u>(175)</u>	<u>(\$175)</u>	634
Fund balance - January 1			<u>8,934</u>		<u>8,300</u>
Fund balance - December 31			<u>\$8,759</u>		<u>\$8,934</u>

CITY OF COLUMBUS, MINNESOTA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
For The Year Ended December 31, 2017

Statement 30

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
<u>General Escrow Agency Fund:</u>				
Assets:				
Cash and investments	\$6,750	\$1,077,000	(\$713,785)	\$369,965
Total assets	<u>\$6,750</u>	<u>\$1,077,000</u>	<u>(\$713,785)</u>	<u>\$369,965</u>
Liabilities:				
Deposits payable	\$6,750	\$1,077,000	(\$713,785)	\$369,965
Total liabilities	<u>\$6,750</u>	<u>\$1,077,000</u>	<u>(\$713,785)</u>	<u>\$369,965</u>

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